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# China

## QIUSHI [SEEKING TRUTH]

No 9, 1 November 1988

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QIUSHI

No 9, 1 November 1988

### Establish an Ideological and Social Science System

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[Article by Qian Xuesen and Sun Kaifei]

[Text] Marx created and used social form as a term to describe a society's structure and functions in a definite period. Marx called social form's economic aspect economic social form. The science for studying economic social form is none other than political economy. Marx's famous work *CAPITAL* is an epoch-making contribution to economic social form research. There are also other aspects of social form,<sup>1</sup> such as political social form. The science for studying political social form is political science, on which our research is not yet sufficient. We also research what is generally called ideology, but should more precisely be called ideological social form. Our research in this field is even less sufficient, and we don't even clearly know the name of this branch of science. We would like to address this issue in this article and hope that it will promote discussion.

### Importance of Studying Ideological Social Form

Since the 3d plenary session of its 11th Central Committee, our party has shifted its work focus to socialist modernization. The 12th CPC National Congress put forward that science and technology are the keys to, and education is the foundation of, the four modernizations; that we should build socialist material and spiritual civilization at the same time; and that it is necessary to raise the nation's scientific and general knowledge level. The 13th CPC National Congress pointed out the necessity to put the development of science, technology, and education at a position of prime importance; and shift economic construction onto the track of relying on scientific and technological progress and improving workers' quality. However, some of our comrades do not understand very clearly this important strategic idea of our party, nor are they truly implementing it in their work. Therefore, we deem it necessary to study and publicize more concretely and thoroughly thinking concerning the strategic position building socialist spiritual civilization.

We point out the necessity to attach importance to the study of ideological social form, particularly questions concerning ideological social form in our country from now on. The need to establish an ideological and social science system is based on the realities of our country and the world, historical experience, and future development.

China's fundamental task in the initial stage of socialism is to develop productive forces. As far as this task and productive forces criteria are concerned, man is the most important, the most active, and the most revolutionary

factor of productive forces. The key to whether the role of man is fully played and how it is played lies in the quality of man and in the ideological and educational level of man. The production tool is also an important factor of productive force. Improvement of the production tool also depends on developing culture and raising the scientific and technological level. The optimum combination of producers, production tools, and production resources, and the scientific development, management, and use of production resources (land, forests, mineral deposits, water resources, and so on) are linked to society's spiritual civilization development level. For this reason Marx said science and technology had increasingly become a direct productive force. According to some countries' analysis and research, the labor productivity increase and the present 60 to 80 percent economic growth depend on cultural development, particularly the development of science, technology, and education.

As far as the factors of production relations and superstructure are concerned, they can either obstruct or promote productive forces' development. Our present political and economic structures' reforms are designed to reform those production relations and superstructure that are unsuitable to, and obstruct the development of, productive forces; and to establish production relations and a superstructure that are suitable to productive forces development and can liberate productive forces. Scientific management and policymaking is an important question to our country. Many Chinese and foreign scholars have pointed out that our country has not been fully using its productive forces and there is still great potential. Some of them say that existing Chinese industrial enterprises' production efficiency is only one tenth of Japan's, and the crux of the problem is the lack of scientific management and policymaking; and that if the level of scientific management and policymaking is raised, China's productivity will be raised 2- to 3-fold, or even 5- to 10-fold. The level of a country's scientific management and policy-making is related to the level of its science and culture. Its economic and political democratization is synchronized with the development of its science and culture. Reliance on special privileges and illegitimate relationships will obstruct and sabotage productive forces development.

Let us look at some facts about China. At present 200 million people, about one fourth of the total population, cannot read; 9-year compulsory education has not yet reached all parts of the country; only 1 percent of the 20-24 age group has higher education (compared to 55 percent in the U.S., 30 percent in Japan, 21 percent in the USSR, and 9 percent in India). A survey of 20 million workers in 26 provinces, municipalities, and autonomous regions found that 40 percent has junior middle schooling, 15 percent has secondary education (60 percent of which, though, does not measure up to their education level), while only 3 percent has higher education.

Now let us look at some problems that have cropped up in the course of China's reform and opening up. In his report to the 13th CPC Congress Comrade Zhao Ziyang

pointed out: "In recent years evading taxes, smuggling, bribing, lawmen committing offenses, blackmailing, stealing and graft, divulging state secrets and economic intelligence, committing offenses against foreign affairs discipline, nepotism, attacking and getting revenge, and immorality have become common among some party members." From bureaucracy, power abuse, and criminal offenses among cadres, to juvenile delinquency, return of the knowledge being useless theory, teachers and students giving up education for commerce; from vulgar taste, blind imitation, rampant piracy in literary and art fields, to speculation and profiteering, illegal price hikes, extortion, and sale of fake or shoddy goods; from ecological disruption, forest fires, vicious traffic accidents, to food poisoning, hepatitis outbreaks, resurgence of sexually-transmitted diseases;....Do not these, as we sober up and ponder, have something to do with some comrades neglect in cultivating spiritual civilization, or some people's low ideological and educational level? Therefore, some insightful people have warned: Deterioration of morality can do more harm to the state than inflation. It does not take too long to remedy inflation, yet it could take more than 30 years to redress immorality. What worries us more is that such unhealthy tendencies have made inroads into the ideological front and cultural and academic fields with false historical materials, quasi-science, erroneous theories, and inferior culture prevailing all over. Comrade Qin Zhaoyang describes "current trends" in the following: "replace clubbing ghosts with ganging up against, replace giving people hats with crowning with laurel, promise saplings as trees, and regard earing rice as bumper harvest." Ideological theories can make as well as break a country. Without the guidance of correct scientific theories our four modernizations and reform can go astray. Wrong ideological theories can disrupt the smooth advancement of our four modernizations and reform. Only after raising their ideological and cultural level and shedding off their ignorance can the masses tell true from false reform, real from fake four modernizations, and clever from stupid reform; and our four modernizations and reform may proceed on a healthy, smooth path.

Now let us look at history. The problems we are encountering now are inevitable when society is shifting from an old to a new system. In the course of establishing socialist commodity economy, if the superstructure—the ideology—does not fit, chaos is bound to occur. We saw a similar long chaotic period when the capitalists developed their commodity economy. *Die Deutsche Ideologie* [The German Ideology], written by Karl Marx and Friedrich Engels during 1845-1846, mentions that confusing thoughts and eerie and strange things abounded in Europe and Germany at that time. It was a time when Europe and Germany were changing from a feudal to a capitalist society, and people began to liberate themselves from Georg Wilhelm Friedrich Hegel's absolute spirit, the old thought becoming obsolete without a new one yet taking shape.

Lenin encountered the situation we are facing now when he was implementing his New Economic Policy [NEP].

At that time there was serious bureaucratism, corruption, burglary, and speculation. However, Lenin was relatively sober-minded. Before the NEP's implementation, he predicted that capitalism would gain ground after implementation of the NEP. But he thought that the NEP should not be stopped because of this, and that the goal was how to minimize side effects. Lenin took the following methods: First, using correct ideological lines, principles, and policies as guidelines. Second, using systems, law, and dictatorship organs to strike at law-breakers. Third, using the whole people's statistics, supervision, and auditing to prevent bureaucratism, speculation, corruption, and burglaries. However, Lenin later thought that cultural pursuits was the most important means. He said: Such malignant ulcers as bureaucratism, sloppy work style, corruption, burglaries, and speculation can not be cured through military or political transformation. They can be cured only by improving cultural quality. He said: An educated and civilized person seldom commits bureaucratism, corruption, and burglary. He added: Presently we have owned everything. Political power and economic lifelines are all in our hand. We also have adopted correct lines, principles, and policies. What else do we lack? All we lack is culture. He pointed out: Many Communist Party members, cadres, and state managers lack modern knowledge and don't know how to perform their duties in a civilized manner. Therefore, Lenin's cultural revolution was aimed at wiping out illiteracy and boosting the vast number of people's scientific and educational levels. In other words, it was aimed at realizing a great leap in ideological social form or, rather, a change in quality. He regarded the cultural revolution and the transformation of his old country as two epoch-making missions to be carried out by the then Soviet regime. He even said: "As long as we realize the cultural revolution now, our nation will become a real socialist country" (*The Collected Works of Lenin*, Volume XXXIII, page 430).

If we face the world and the future, and observe the real world as a 21st-century man will do, spiritual civilization's importance becomes even more noticeable. A new scientific, technological, and industrial revolution is greatly changing the world right now. The distinction between mental and manual labor as well as the distinction between cities and villages possibly will be eliminated by the next century. The primary industry (agriculture) and the secondary industry (industry) will decline, while the tertiary industry (service and information industries) and the quaternary industry (cultural undertakings) will expand. Significant changes have presently taken place in both capitalist and socialist countries. Our era is quite different from the imperialist era described by Lenin. Since people can no longer afford to fight a large-scale war after the production of nuclear weapons, they begin to fight a worldwide war in economic, scientific, and technological fields. The new scientific and technological revolution has integrated the whole world into an entity. We are now fighting a worldwide economic, scientific, and technological war. Whether we can win the new world war or not

depends on our scientific, technological, and cultural ability. If our scientific and cultural development lags behind others, we will not beat them; rather we will be beaten and weeded out. The gap between China and the world's advanced nations is widening. The Soviet Union is also aware that its gap with the world's advanced nations is becoming wider and wider. Today many socialist countries are engaging in reform in order to catch up with the advanced nations as soon as possible. This can be called the socialist countries' third great revolution after the victorious October Revolution and the Chinese Revolution. Comrade Xia Yan talked about "two 70 years." The period between the release of the "Communist Party Manifesto" by Marx and Engels in 1847 and the October Revolution in 1917 was the first 70 years. The second 70 years was from 1917's October Revolution to 1987's 13th CPC National Congress, in which the theory of the initial stage of socialism was born. We would like to add another 70 years; that is, whether we can finish by 2057 various assignments that we must finish in the initial stage of socialism. This will be a life-and-death 70 years, a key 70 years that decides whether socialism can score final victories in China. It is worthwhile for us to think about the matter. However, many people are still unaware of this. They are only keeping an eye on trivial personal interests. Therefore, we must awake the people and instill a sense of historical missions and urgency into them. Uniting as one, realizing the four modernizations, and revitalizing the Chinese nation are exactly the spiritual forces that inspire people to engage in a common struggle.

Economic development in modern times depends mainly on science and technology, and the 21st century will be an era of war of intelligence. Whether or not a country, a nation, can have a position in the world community of nations, whether or not it will disappear from the earth will depend on its cultural construction achievements. This point has become clear to many countries' leaders and knowledgeable people. Former U.S. President Carter said that the growth of the U.S. economy in the past 30 years has been realized mainly on the strength of science and technology. R. jia si te luo [6328 2448 3676 5012] said the wealth of the United States comes from the human brain, which is an inexhaustible source of wealth. Former Japanese Prime Minister Fukuda said the reason a small Japan short in resources can become a world economic power in such a short period of time is due mainly to its popularized and advanced education. Former Prime Minister Suzuki set forth a policy to build the country on the basis of technology, pointing out that only on this foundation could the country become better equipped to face the 21st century. The European Community has formulated an "Eureka program" to speed up science and technology development. At the 27th CPSU Congress General Secretary Gorbachev called for an "accelerated development strategy." The 10 CEMA member countries have come up with a "comprehensive program for progress in science and technology," also known as "Eastern Eureka," which is designed to speed up science and technology development. Academician Siliyaev, of the Soviet Academy of Sciences, holds that knowledge is the all-purpose resource in the

world scientific and technological revolution. Our country's leaders and knowledgeable people have also repeatedly emphasized the need to attach importance to science, culture, and education. The 12th and 13th CPC Congresses pointed out that science and technology hold the keys, and education provides the foundation, to the four modernizations and that it is necessary to give first place to science and technology and education. In other words, it is necessary to firmly establish the strategic thinking that we should build the country on the foundation of science and technology and the cause of education. In the past, because we ignored science, culture, and education, because we had no respect for knowledge and intellectuals, our country has fallen far behind the advanced world level. We should learn from and never forget this historical experience.

#### **Establish a Macroeconomic Branch of Learning in Ideological Social Form—Science of Spiritual Civilization**

At present everyone is very concerned about the question of ideology's social form.<sup>2, 3, 4</sup> However, we often are influenced by past thinking, concepts, and habits of thinking and refer to this question as one of "culture." Some comrades also refer to discussions concerning this question as "cultural fever." They have even gone so far as to confuse "civilization" with "culture" in their discussions. In our view, in order to really use the Marxist philosophical viewpoint and method to study the question of ideological social form, it is imperative to establish a scientific system for the study of ideological social form. First of all, it should be a macroeconomic, comprehensive, and high level branch of learning. It is a discipline to observe and study the development and change of ideological social form. It is an ideological social science. We suggest that it be referred to as the "science of spiritual civilization." The science of spiritual civilization is a branch of learning that deals with the study of relations between the human mind, the change in thinking and culture, and the change in society's development as a whole. It deals with the study of the law governing the development of ideology, thinking, and culture and with the study of how to push science and culture's development in society to a new historical stage. There are some dark facets in society which will disappear by themselves as the people's thinking and cultural level goes up. Therefore, we need not be afraid of the many problems we now face. What we should be afraid of is if we don't recognize them, don't understand them, and don't know how to get rid of them. The science of spiritual civilization is a science that deals with these questions. This is its importance. This was precisely the same method Marx and Engels applied when they studied German ideology. They criticized every one of the erroneous ideological theories that emerged at the time. They peeled away the masks covering the so-called "humanitarian liberalism," "egalitarianism that is self-consistent," "real socialism," and other sham scientific theories. By criticizing the old world, they created the new one and pushed mankind's ideology and culture to new heights of the era.

Here in China it is called spiritual civilization studies; in foreign countries it is usually called "cultural studies." There are two main approaches for studying this field:

The first one is the theoretical approach used in Western capitalist countries. The main points of this approach are to study civilization and culture from the anthropological and philosophical anthropological viewpoints; to study culture from the viewpoint of a culture's origin and development history; and to study culture from the viewpoint of different nationalities cultural features, and by comparing different types of civilizations. This approach is theoretically based on the study of cultural anthropology and cultural philosophical anthropology. Western countries have used this approach a long time, and many famous scholars have specialized in this field, and many books on this have been published. These scholars have made extensive and beneficial studies in cultural nature, types, and development law as well as the methods for studying and comparing cultures. Two of this approach's features are: it is used to study culture and civilization as a whole, and it has a strong flavor of humanism.

The second one is the cultural theory used in the Soviet Union and Eastern European countries, and is called the Marxist-Leninist cultural theory. This theory focuses on Marxism-Leninism's study of the cultural theory. The theory later developed into studying cultural phenomena from a philosophical point of view, and is called cultural philosophy. Many theoretical articles on cultural philosophy were published in the Soviet Union in the 1960's and 1970's, and chapters exclusively devoted to the study of culture were also added to philosophy text books used in that country. Still some people in the Soviet Union have adopted modern systematic methods in studying culture and art's systematic structure. As the Soviet Union paid more attention to studying problems about man, a tendency of combining the study of man and culture has developed.

As in China, many people have adopted the method of comparing Chinese and Western cultures in studying cultural theories since the Opium War and the May 4th Movement of 1919. Many of these people were motivated by the idea of seeking a way to salvage the nation and people. However, there were two extremist tendencies. One of these tendencies was the advocacy of the renaissance of Confucianism. This renaissance of Confucianism was called New Confucianism or Modern Confucianism, and prevailed in some East Asian countries and regions. Many people maintained that the rising of these countries was largely due to the Confucianist renaissance in these countries. The eruption of the modern technology revolution made some people think that modern science had returned to Oriental mysticism. These people did not understand modern science, especially the systematic way of thinking brought by modern science, and regarded modern science as a mere return to the simple direct perception of things through the senses, but not a development to a new dimension of the systematic way of viewing things as a whole on the basis of modern science and technology. They

did not understand world theories on basic particles, and simply equated modern science to Lao Zi's "dao" [6670] and Buddhism's "wu" [2477]. Since the "Great Cultural Revolution" and because of people's indignation against the campaign criticizing Confucianism, some people turned from one extremity to another, and again extolled Confucianism to the skies. These people thought that reviving Confucianism would rejuvenate the Chinese nation. Another extremist view standing against the advocacy of the Confucian renaissance was the advocacy of total Westernization, which was also called total reconstruction theory. People holding this extremist view held that Confucianism was nothing but dross, and that nothing in traditional Chinese culture was worth keeping. They believed that it was traditional Chinese culture that had impeded China from advancing in the last few hundred years. They believed that the Chinese nation could be rejuvenated only if traditional Chinese culture was totally denied; a new tradition was developed; Western culture, including its economic and political system, was totally introduced to China; and only if China was totally Westernized and adopted a Western capitalist road. These people forgot the historical lessons China had learned in the last hundred years. Between these two extremist views were another two viewpoints. One of them was the so-called "foundation and application theory" [ti yong shuo, 7555 3938 6141]. This theory included using Western culture as a foundation and traditional Chinese culture for practical purposes, and using traditional Chinese culture as a foundation and Western culture for practical purposes. The other viewpoint was the theory of comprehensive creation, which called for developing a new Chinese culture on the basis of essential parts of traditional Chinese and Western cultures.

By summing up the above views and theories and by selecting their essence and eliminating their dross we will be able to establish a spiritual civilization studies, a science which can explain the ideological and social development law of mankind's society. The spiritual civilization studies can straighten out the relationship between social material civilization and social spiritual civilization, thus enabling us to predict the future. This eliminates the perplexity expressed by Comrade Zheng Zhijian at a meeting to discuss cultural problems.<sup>5</sup> Comrade Zheng felt that there was a shortage of cultural strength, asking, "Could we make any advances in cultural and spiritual civilization development even if we have made progress in economic development? I am afraid that it is still a question."

#### **Establish a Science To Study Ideological Construction and a Science To Study Cultural Construction**

China has emphasized the study of literature and art's cultural theory. After liberation the Soviet Union influenced us in the beginning. We mainly studied the Marxist-Leninist theory of literature and art. During the 10-year "Cultural Revolution" the study of cultural theory suffered a great calamity. After the 3d plenary session of the 11th CPC Central Committee, along with

our reform and opening to the outside world, Western culture flooded in. Over the past few years the study of China's cultural theory has been greatly influenced by the study of Western culture. Some published articles studying culture mostly quoted Taylor's definition of culture, used the approach of cultural anthropology, failed to distinguish between culture and civilization, and were imbued with humanism. An article studying the science of culture's core recently published states that the science of culture is the science of humanization, or the human science. Over the past few years there has been intense popular interest in sex culture, reproduction-worshipping culture, and primitive culture in literature and art, including a variety of shouting and yelling music, art of husky singing, and dancing based on the earliest ancestor's physical nature, etc. These pastimes may also be called this humanist culture's "atavism." As for literature's identity still being in dispute and the prevailing of individualism, the theory of self-designing, and the idea of absolute freedom in literary circles, these things happen because they are repercussions evoked by the ultra-left line of the 10-year "Cultural Revolution," but they are also results of the influence of the Western humanist and existential culture ideological trend.

We have many confused discussions today because we are not clear about the connotation of civilization, spiritual civilization, and culture and the demarcation line between them. Actually, our party Central Committee's formal documents have already clearly interpreted them. The report to the 12th party congress pointed out: Human civilization includes material and spiritual civilization, which are the results of mankind's remolding the objective and subjective worlds. Socialist spiritual civilization development can on the whole be divided into cultural and ideological construction. Cultural construction refers to the development of education, science, literature and art, press and publication, radio and television, public health and physical culture, libraries, museums and other cultural institutions and the rise of the people's education level. It also includes rich and colorful mass recreational activities. Ideological construction's main contents include the Marxist world outlook and scientific theory; communist ideals, beliefs, and ethics; the sense of being master of one's own affairs; and the idea of collectivism suited to socialist public ownership; the sense of rights and obligations, and the sense of organization and discipline suited to the socialist political system; devotion to serving the people and the communist working spirit; and socialist patriotism and internationalism. We think we can also interpret it this way: Socialist culture is socialist spiritual civilization's objective expression; socialist ideology is socialist spiritual civilization's subjective expression.

Therefore, in studying the overall basic theory of ideological social form, we believe there should be two branches of learning under the science of spiritual civilization: one is the study of ideological construction, and the other is the study of cultural construction. We think the knowledge of socialist ideological construction is

included in behavioral science,<sup>6</sup> a major branch of the modern science and technology system, which includes the knowledge of ideological education, such as ethics, moral education, social psychology, the science of talent, and the knowledge of conducting specific ideological education. Of course the law studies also guide and control people's behavior and is also included in behavioral science. Currently people have attached great importance to this field and are making efforts in it. We will not elaborate here, except to point out that behavior science is also included in the scientific system of studying ideological social form.

The field of study of socialist cultural construction is what we call cultural studies [wen hua xue 2429 0553 1331].<sup>7</sup> Cultural studies as we define here differs from the various cultural theories presented above. It is a field of study of the creation of socialist spiritual wealth,<sup>7</sup> a field of study of socialist cultural construction. This field of study has caused some controversy, mainly concerning the term's concept. We feel that in the first place some comrades misunderstood the term, regarding cultural and literature and art studies as equivalent to past theories on literature and art. In the second place, some comrades overlooked its significance. The fact is that this is the very field of study in which we lack today and which we need to build. This is the reason why we feel the need to further elaborate on the goal, tasks, subject matters, and contents of cultural studies.

Cultural studies' goal and tasks as we present here are to study the relationship between culture and productive forces, between cultural and economic construction, and between the changes and developments of society's ideological formation and of society as a whole; to study the law governing socialist cultural construction; and to study such issues as socialist cultural organization, construction, leadership, and management in order to provide a theoretical basis for cultural system engineering in the primary stage of socialism. Obviously its ultimate goal is to raise the whole nation's cultural standards and to serve the four modernizations and reform.

Cultural studies have a certain foundation on which research can proceed. This foundation is comprised of various fields of study in socialist cultural construction. They include at least the study of education, science, art and literature, the press and publication, and broadcasting and television, which were mentioned in the report to the 12th CPC National Congress. However, cultural studies is not intended to substitute for the above-mentioned fields of study, nor is it a simple collection of all of them. Rather it is intended to synthesize all these branches of study to become a field of study of cultural construction. Today research is being carried out in every one of these disciplines, and many of the research results can be taken as the foundation of research for cultural studies.

Take research in the study of education for example. Some people proposed to divide school education into three stages: primary education, beginning from the age

of 6 until 12, which enables a student's education to reach middle school level; secondary education, from 12 to 18, which enables a student's education to reach college sophomore level; and higher education, from 18 to 22, which enables a student's education to reach master degree level. Practice has shown that it is possible to move up the school age and train pupils in theoretical thinking. If we establish an education system which starts from age 4 until 14 to enable a student's education to reach college level in 10 years and uses 4 more years to reach master degree level, we will be able to shorten the period of schooling and improve our education standards. With the development of electronics technology, differences between mental and physical labor will gradually disappear in the future, and all citizens will be required to have an education level equivalent to the current master's degree level. At that time graduate school will probably reach the current post-graduate school level, which will be completely open to everyone, where students are able to choose their own fields of study and curriculum, and where students can choose their teachers and faculty members can choose their students. There is no harm in planning China's education in the 21st century along this line.

Another example is the research of scientific studies [ke xue xue 4430 1331 1331], including scientific systems studies, scientific capability studies (also known as scientific organization studies), and scientific politics studies (also known as scientific sociology which deals with the relationship between science and social development). Science is for understanding and transforming the world. In the past it was divided into natural science, social science, and philosophy. It has not yet been clearly defined. In natural science we must not emphasize only the transformation of the objective world while paying no attention to understanding the objective world, nor should we attach importance to only research for practical use and basic research for practical use to the neglect of basic research. Exclusion of applied science from social science does not conform to the Marxist viewpoint of integrating theory with practice. Moreover, class nature was over-emphasized in a lop-sided way in the past. We should emphasize truth. Of course we are talking about relative truth, not absolute and ultimate truth. Modern science and technology are international. Science and culture have no national boundary and cannot be developed behind a closed door. In basic scientific research we may entirely use other countries' basic facilities. We may take advantage of foreign scientific research centers' equipment and rapidly attain the modern world's level. Here we are touching on the question of our graduate students abroad. We may treat their research work as part of China's overall research plan, include it in our plan, and truly make our scientific research international.

Let us discuss literary and art research. Here we are not talking about past literary and art theories. Instead, we are talking about the knowledge on social activities of literature and art and the knowledge of organizing,

leading, managing, and developing literary and art activities. It may also include literary and art systems studies, literary and art organization studies, and literary and art sociology. Literary and art system studies include novels, essays, poems, and songs. Prose, fine arts (including painting, sculpture, and handicraft art), music, technical fine arts (also known as industrial designing), comprehensive art (such as drama, opera, cinema, and television drama), dress and cosmetology.<sup>8</sup> Of course, such a division may be further studied. Kawang, a Soviet philosopher and aesthetic,<sup>9</sup> conducted art form studies, which deal with art and literature's internal structure. We may do further research on these questions.

Some people are doing research on physical culture, journalism, and publishing. Besides the above-mentioned six aspects—education, science and technology, literature and art, physical culture, journalism and publishing, and radio and television—the socialist cultural development in fact also covers seven other aspects: parks (historic sites); exhibition halls, museums, and science and technology halls; tourism; flowers, birds, insects, and fish;<sup>10</sup> cooking;<sup>11</sup> mass organizations; and religion.<sup>12</sup> There is specific knowledge on these aspects.

In cultural development, we should use these basic source materials and apply the system engineering method to expound their relations, and find out their law, so that they are used in a coordinated way to yield maximum social effects. We should research system engineering for cultural facilities and environment, and treat education, science and technology, literature and art, radio and television, physical culture and public health, and the masses' cultural and recreational activities as a single, interrelated system engineering in order to provide a theoretical basis for socialist cultural system engineering. We should do research on education, science and technology, literature and art, radio and television, physical culture and public health, and the masses' cultural and recreational activities not as separate branches of science, but as a single, comprehensive system.

### Study Method

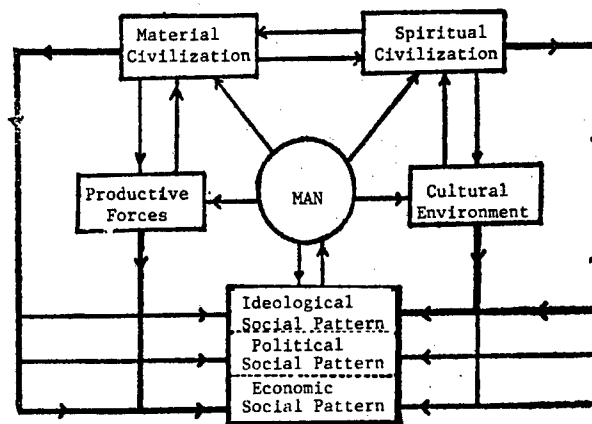
In the above we have explained a scientific system that deals with the study of ideology's social form. Within this system spiritual civilization studies assume a dominant role at the macroeconomic level. It has two main branches. One encompasses the behavior sciences that deal with the study of ideological construction. The other consists of cultural studies that deal with the study of cultural construction. Neither of the two is a simple discipline. Instead, each represents a science department. Under the cultural sciences, cultural studies assume a dominant role. Cultural science's foundations include 13 different disciplines dealing respectively with education, science and technology, literature and art, architecture and landscaping, radio and television, journalism and publication, sports, libraries and museums (galleries, halls of science and technology, etc.), tourism, flowers and birds and insects and fish, cuisine, mass

organizations, and religion. Great efforts should be made to work on and develop this system of sciences, because China's socialist construction calls for it. Having explained what the system is, we now come last to the question of how to study this system's sciences.

Simply put, this calls for the application of historical experiences, foreign and domestic, ancient and recent, plus actual experience, in the spirit of seeking truth from facts without any preconceived opinion. For instance, is religion a culture? In our country there are now dozens of minority nationalities living in the community of the motherland and religion is often a very important part of these minority nationalities' cultural life. This is an objective fact not to be neglected. Among the state organs in our country, for example, there is a Bureau of Religious Affairs under the State Council. Another example is flowers, birds, insects, and fish. The people love them. They too are an undertaking in themselves. How can we say they are not part of culture? This shows that only when we attach importance to history and reality can we avoid becoming subjective and rigid in our thinking.

As for method, we have the Marxist scientific method. In other words, we have the method of dialectical materialism and historical materialism. We also have the modern method of systemic science. To study ideological social form science, we must use the scientific method of dialectical materialism and historical materialism in order to avoid falling into the quagmire of idealism or mechanical materialism. We should also apply the modern method of systemic science, because building socialist spiritual civilization is an extremely complicated process of social system engineering. Marx said that a human being is a part of society and that a human being is one who lives in a specific social environment. There are now some people who advocate humanism by demanding that the people living in China be treated the same as those living in the United States. This is not the attitude of historical materialism. Society as a system is very complicated. There are more than one billion people in China's society as a system. The languages, habits, and ways of thinking of our 56 nationalities, including the Han nationality, are all different. Human behavior is far more complicated than an animal's behavior, because a human being has consciousness. A human being is by far more different from an inanimate object because the former is influenced by his own knowledge and consciousness and by his social environment. Therefore, human society as a system is an open, complicated, gigantic system. The ideological social form is an organic component part of this society as a complicated, gigantic system. It closely integrates with the economic and political social forms so as to organize society as a whole (see diagram). Economic social form's leap is economic revolution; political social form's leap is political revolution; ideological social form's leap is the genuine cultural revolution. The science of spiritual civilization studies the relationship between the changes of human consciousness' social forms and all social developmental changes. It studies

the development law of spiritual civilization, socialist cultural construction, and socialist ideological construction. This is a very complicated social system engineering system which calls for the use of system engineering and the application of a systematic theory. Cultural science under the spiritual civilization studies in the scientific system of the ideological social form includes education, science and technology, literature, art, and many other aspects. The science of culture, a comprehensive branch of science, does not study these contents. It studies their relationships and studies them as a whole system. It studies the cultural development law as a whole and studies how to make cultural science's component parts develop in coordination with society as a whole so as to develop the greatest and best social effectiveness. It is necessary to synthesize the sciences of education, science, literature and art, physical culture, journalism and publication, radio and video, and others to form a systematic scientific theory for cultural science and to provide a theoretical basis for cultural system engineering at the initial stage of socialism in China.



#### Footnotes:

1. Qian Xuesen: "The New Technological Revolution and Systems Engineering," SHIJIE JINGJI, 1985, Issue No 4.
2. He Xin: "The Concept and Theory of Cultural Study," RENWEN ZAZHI, 1986, Issue No 1.
3. Zhang Dehua: "The Methodological Hot Spots of 'Cultural Heat'," SHANGHAI SHEHUI KEXUE, 1988, Issue No. 2.
4. Yu Wujin: "Fallacies of Contemporary Chinese Culture," RENMIN RIBAO, 22 August 1988.
5. Zheng Bijian: "Speech at the Forum on Cultural Development," ZIRAN BIANZHENGFA BAO, 1988, Issue No 10.
6. Qian Xuesen: "On the Behavioral Science System," ZHEXUE YANJIU, 1985, Issue No 8.

7. Qian Xuesen: "Cultural Study—The Branch of Learning To Study the Creation of Socialist Spiritual Wealth," ZHONGGUO SHEHUI KEXUE, 1982, Issue No 6.

8. Qian Xuesen: "Esthetics, the Study of Socialist Literature and Arts and Socialist Cultural Construction," WENYI YANJIU, 1986, Issue No 4 proposed that literature and art should include these three: architecture, horticulture, and culinary art, in addition to the seven mentioned here. Now these three no longer belong to literature and art and have been placed under cultural departments.

9. M. Kagan: "Artistic Morphology," translated by Ling Weiliang and Jin Yana; Life-Reading-New Knowledge Union Bookstore Publication, 1986 Edition.

10. Qian Xuesen used to suggest that culinary art should belong to literature and art. Now, inspired by comrade He Jiping's drama *The First Tower in the World* and the heated debates it triggered, we consider it a part of cultural construction and call it "gourmandism."

11. Qian Xuesen: "Floriculture Is a Part of National Culture," HUAHUI BAO, 13 June, 1986.

12. Luo Zhufeng and Huang Xinchuan: "Religion," Religion Volume of ZHONGGUO DA BAIKOQUAN-SHU, page 5, ZHONGGUO DA BAIKOQUANSHU SHE, February 1988 Edition.

**Seek Truth From Facts and Act in Accordance with the Objective Law of the Economy—Some Important Expositions by Liu Shaoqi Concerning Economic Readjustment During the Early Sixties**  
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[Article by Yang Bo 2254 3134]

[Text] Comrade Liu Shaoqi, the great Marxist and proletarian revolutionary, not only conducted a great deal of research and exploration and came up with many original views on ways to carry out socialist revolution and construction after our party assumed political power across the nation, but also made outstanding contributions to the practical work of guiding socialist economic construction. After he was elected president of the PRC in 1959, he personally presided over the national economic readjustment work at that time and did a great deal of work to put an end to the serious difficulties brought about by the "Leap Forward," expedite the recovery and development of industrial and agricultural production, improve the people's living standards, and effect an all-round turn for the better in the financial and economic situation. During that period, I had the opportunity to work with him and learned a profound lesson from him. Here I would like to recount, from my personal experience, several principal aspects of Comrade Shaoqi's ideas on economic readjustment during the early sixties in commemoration of the 90th anniversary of his birth.

## I

Proceeding from reality and seeking truth from facts are Comrade Liu Shaoqi's basic ideas on guiding economic work.

The harm done to our national economy by the "Great Leap Forward" and the movement to build people's communes in the countryside that began in 1958 were already clearly evident by the middle of 1959. At that time, the party Central Committee, where the "left" ideology was predominant, made an incorrect appraisal of the situation. It not only failed to earnestly correct the shortcomings and mistakes in work, but made the mistake of launching the "Anti-Right Deviation" struggle and continuing the "Great Leap Forward." As a result, by 1960 the national economy was in an even more difficult situation: Industrial and agricultural production dropped, people's livelihood was in difficulty, there was a short supply, and there was a serious imbalance among the various sectors of the national economy. Faced with this severe economic situation, the party Central Committee concluded that a readjustment of the national economy was in order. From early July until early August of 1960, Comrade Shaoqi presided over a central work conference in Beidaihe to study problems in economic work. The meeting set forth the task of economic readjustment and adopted some specific measures. Comrade Shaoqi pointed out in his speech: It is necessary to curtail capital construction, strengthen the frontline of agriculture, and give top priority to agriculture, and industry must provide support to agriculture. At the meeting, the Central Committee clearly laid down the eight-character policy of readjusting, consolidating, filling out, and raising the standards of the national economy.

Was the national economy in serious difficulty? Was a readjustment of the national economy in order? At that time, the "leftist" guiding ideology had yet to be corrected, and there was discord within the party, especially among high-level cadres, on these questions. Some comrades even opposed the economic readjustment. As a result, the eight-character policy was not implemented very thoroughly in practical work, and many aspects of the policy were not carried out. During the winter of 1960, the party Central Committee and Comrade Mao Zedong began to redress the mistake of the "left" deviation in rural work and called on the whole party to energetically encourage the practice of conducting investigations and studies, hear the people's views, discover problems, and solve them. Comrade Shaoqi set an example. From 1 April to 15 May 1961, he spent more than 40 days conducting investigations at Fulin Commune in Changsha County and Huaminglou Commune in Ningxiang County, Hunan Province. He lived in the countryside day and night, visiting door to door and attending discussion meetings to extensively solicit views from the people and grassroots cadres. He expressed many important views on such problems in rural work as the "Communist Wind," "Giving Blind Directions," mess halls,

handicrafts, and commerce, and made a realistic analysis and a frank and sincere self-criticism of the causes of the economic difficulties. In his 7 May conversation with peasants in Tanzichong, he pointed out: "Why have production and living standards dropped? Some have blamed bad weather: we had a drought last year. The drought, I think, did have some effects. But these are not the major causes. The major causes are mistakes in work." "Look at what a mess the work here is. The Central Committee is responsible and should admit its mistakes to you." Working alongside Comrade Liu Shaoqi during the investigations, I was taught a life-long lesson by his workstyle of making thorough investigations and studies, analyzing problems by seeking truth from facts, and daring to make self-criticism.

According to this investigation, Comrade Liu Shaoqi pointed out at the Central Work Meeting on 31 May 1961: "There are many problems that must be solved now, but the key question is to resolutely curtail industrial growth, develop agricultural and light industry production, and reduce the number of people to be sent to the countryside." (page 341) The meeting decided to send 10 million people from the urban population to the countryside, curtail heavy industry, and close a number of "small indigenous" and "small foreign" enterprises. This promoted consolidating, filling out, and raising our work standards. However, it must be pointed out that our efforts to carry out readjustment did not achieve satisfactory results because of disunity in understanding, differing views on the current situation, and arguments on the need for readjustment within our party.

## II

In order to unify our thinking, clearly understand the situation, sum up our experiences, overcome difficulties, and promote and deepen readjustment work, the CPC Central Committee held an enlarged central work conference (namely the 7,000-Man Conference) in January 1962 in Beijing. It was an extremely important conference in the history of our party since the founding of new China. Comrades Liu Shaoqi and Deng Xiaoping made great efforts to successfully convene this conference. The conference adopted a written work report by the CPC Central Committee. Prior to the conference's convocation, Comrades Liu Shaoqi and Deng Xiaoping personally explained the general plan and made their suggestions to the comrades of the drafting group and outlined the work report's contents. Following completion of the draft report, Comrade Deng Xiaoping presided over several meetings to discuss and revise the draft work report. After seeing the revised draft work report, Comrade Liu Shaoqi personally went to the quarters of comrades of the drafting group and made more revisions and additions. He worked from evening until early morning for several consecutive days. After putting forward the work report, he again prepared outlines for his oral speech and made many important explanations and supplements to the contents of the work report.

In his written work report and speech, Comrade Liu Shaoqi analyzed the situation in the spirit of seeking truth from facts and systematically summed up experiences and lessons of economic work since 1958. On behalf of the party Central Committee, he made serious criticism and self-criticism for shortcomings and mistakes in previous work, analyzed the root cause of "left" mistakes, and put forward methods and measures for solving various problems and the 10 tasks for readjustment in 1962. He pointed out: "At present, speaking in the spirit of seeking truth from facts, we are faced with quite serious difficulties in our economic work at home." (page 418) "Owing to a decrease in agricultural and industrial production, we are unable to meet requirements in various fields. This situation is quite unexpected to many comrades. Two or three years ago, we thought that we could have a great leap in agricultural and industrial production... Now, instead of making progress, we have gone backwards to a great extent and there is a temporary falling-off in production. Should we recognize this situation? I think we should admit that this is indeed the situation, in the spirit of seeking truth from facts." (page 419) In accordance with a practical analysis of the situation, Comrade Liu Shaoqi put forward a proposal for strengthening democratic centralism and called for "fully developing people's democracy and democracy within the party, establishing closer ties between the party and the masses, strengthening the party Central Committee's centralized and unified leadership, and unifying our thinking, policy, plans, commands, and actions in the whole party." (page 373) This has an extremely important bearing on unifying the party's understanding in the situation, strengthening the party's leadership, overcoming difficulties, and implementing the policy of readjusting, consolidating, filling out and raising standards in an all-round way.

Immediately following the 7,000-Man Conference, Comrade Liu Shaoqi personally grasped the economic readjustment work. From 21 to 23 February, he presided over an enlarged meeting of the Political Bureau of the CPC Central Committee (namely the Xilou Meeting) to further analyze the situation and study measures for overcoming difficulties. The meeting first heard a report by the State Council Financial and Trade Office on the 1962 national budget. The report did not actually reflect the current financial difficulties. It should have shown a budget deficit of 5 billion yuan, but it was prepared based on a balanced budget, with state revenue and expenditures both estimated at 30 billion yuan. Due to the fact that some state revenue could not be realized, there was a gap in meeting the needs of expenditures. Accordingly, the report put forward the suggestion that the central authorities should adopt a number of important measures to increase revenue and cut expenditures, and pointed out that the budget could not be executed if those measures were not taken. After hearing the report, Comrade Liu Shaoqi seriously criticized the report for not exposing contradictions in a down-to-earth manner. He critically pointed out that the report showed a false balance despite the fact that there was a budget deficit.

He pointed out that the report should be rewritten to actually show the budget deficit and then put forward suggestions regarding questions to be solved by the central authorities and measures to be taken. Comrade Chen Yun said that economic problems should all be reflected financially, and we must not talk about the financial matters in isolation. At the meeting, Comrade Chen Yun expressed his important opinions on the financial and economic situation at that time and methods to overcome various problems. Comrade Liu Shaoqi fully approved Comrade Chen Yun's opinions and told Comrade Chen Yun: Our approval of your speech is not enough. I suggest that we should convene a plenary meeting of the State Council, explain the situation more fully, and let all comrades taking part in the State Council meeting understand the current economic situation and our principles and policies. This will be conducive to unifying our thinking and action.

At the suggestion of Comrade Liu Shaoqi, Comrade Chen Yun made a speech on "the current financial and economic situation and some methods for overcoming various difficulties" to a meeting attended by all members of party organizations of various ministries and State Council commissions. The meeting was held in a lively atmosphere, and Comrade Chen Yun's speech received unanimous support and repeated applause by comrades attending the meeting. This kind of things was quite rare since the "Great Leap Forward." After the meeting, Comrade Liu Shaoqi suggested that Comrade Chen Yun's speech be transmitted to all parts of the country in the name of the party Central Committee. He also made specific suggestions on the contents of the party Central Committee's written comments and wording in transmitting the speech. After the written comments were drafted, he again personally made some important revisions. With the concurrence of Comrade Mao Zedong, the party Central Committee transmitted the full text of Comrade Chen Yun's speech on 8 March. At the same time, Comrade Liu Shaoqi suggested that Comrade Chen Yun should assume the post of head of the Financial and Economic Group of the party Central Committee and take charge of the economic readjustment work. Comrade Liu Shaoqi told Comrade Chen Yun: We all agree that you should assume this post, and I think you should assume this post. As to myself, I fully support you to the end.

After the Xilou meeting, the CPC Central Committee and the State Council under the leadership of Comrade Liu Shaoqi and Zhou Enlai adopted a series of concrete measures to overcome difficulties and accelerate economic readjustment. For instance, on 10 March, they made the "decision on earnestly ensuring centralism in banking work and strictly controlling monetary issue." They demanded that the power to issue banknotes be truly in the hands of the central authorities and the monetary issue be under strict state control; credit be strictly managed according to plan; a clear line of demarcation be drawn between bank credit funds and financial funds, and bank loans must not be spent on financial expenditures; cash

management be improved and accounting discipline be strictly enforced; and a centralized leadership over banking work be strengthened. On 21 April, they made the "decision on strictly controlling financial management." The decision demanded that finances be strictly managed, and no organizations be permitted to misuse financial funds; efforts be made to help enterprises turn heavy losses into profits; expenditures for non-productive purposes and institutional purchases be resolutely reduced; and financial supervision be strengthened and financial discipline be strictly enforced. Both decisions were drafted under the supervision of Comrade Li Xiannian. Their implementation played an important role in stopping inflation, achieving a balance between revenues and expenditures, and stabilizing the economy. Another instance was the circular issued by the central authorities on 20 March on strictly banning outside-the-plan construction projects in various localities. The circular demanded that all outside-the-plan projects under construction, particularly office buildings, auditoriums, and guest houses, be suspended immediately regardless of progress. At the same time, the circular reiterated that large, medium-sized and small projects must be separately submitted to higher authorities for approval, and that financial departments at all levels and banks should not provide funds for any unapproved projects. The State Planning Commission on 25 April submitted to the central authorities after discussion and study the national economic readjustment plan for 1962, based on the opinions of the Central Financial and Economic Group. The plan made many readjustments to the original draft plan. It called for increasing the output of some industrial products for daily use only, and lowered the output quota for all other products, particularly heavy industry products. It also further curtailed the scale of capital construction and reduced the state budget for capital construction by nearly one fourth, from 6.07 billion yuan to 4.6 billion yuan.

In order to discuss the 1962 readjustment plan and arrange the next step of the readjustment work, Comrade Shaoqi called a central work conference, to be attended by all central bureau secretaries, for 7-11 May in Beijing. The conference adopted the "Report of the Central Financial and Economic Group on Discussing the 1962 Readjustment Plan," and decided the policy for further readjustment and curtailment and other necessary policies and measures. Zhou Enlai, Deng Xiaoping, and other central leading comrades delivered important speeches during the conference. Toward the end of the conference, Comrade Shaoqi made a summing-up speech in which he further analyzed the economic situation and sternly criticized the "left" mistakes committed since 1958. In view of the fact that some comrades were still lacking a sufficient understanding of the difficult situation and the necessity and urgency for readjustment, he pointed out unambiguously: "What is the present economic situation, anyway? I think that it is a very difficult situation. Generally speaking, the economic situation is not excellent, and it is difficult.... In this regard, I must make a clear explanation to the cadres. Since we have praised the situation as excellent

for so many years, it is indeed very hard for us to describe it as difficult and not so good today. This time let us face the reality and present it as it is. After you return to your provinces, please tell the provincial party secretaries about the difficult situation. Then others can discuss the difficulties. If we keep our mouths shut, others will not talk either." (pp 444-445) "We should fully estimate the present difficulties and anticipate future difficulties. We should be prepared to meet the difficulties and overcome them. Otherwise, we will not have a sufficient mental preparation for overcoming the difficulties, and this is dangerous. A person is brave if he fully estimates difficulties, has no fear, and continues to advance energetically with his chest thrown out. He cannot be called a brave person if he conceals existing difficulties. A communist with a revolutionary spirit should fully estimate difficulties and advance with his chest thrown out even at the most difficult time. I think that we should be this way if we are to display revolutionary mettle and Marxist spirit." (p 446)

Comrade Shaoqi agreed with the view presented in the Central Finance and Economics Group's report that it was necessary to carry out an extensive readjustment of the national economy. He said: "Future plans should be drawn up this way: setting the target a little bit lower and striving to surpass it in the course of implementing the plan; and striking a balance in the short term, not just in the long term, and leaving some margin to enable us to surpass the target over the course of implementation. Since we have leaned to the 'left' for so many years, let us lean to the 'right' for a change. We have not removed the vestiges of setting unrealistically high targets, and we should do so this year." (page 444) To overcome difficulties and effectively readjust and restructure the national economy, he asked all departments of the government and the party to work intensely and achieve unity in thinking and action. He urged them to scorn difficulties strategically while paying full attention to them tactically in order to overcome the difficulties step by step.

In the wake of the Central Work Conference, all localities and departments swiftly implemented the guidelines of the conference and carried out the economic readjustment in a thorough way throughout the country. The results were quickly felt. The 1962 agricultural output value and grain output rose by a fairly large margin over those of the previous year. In industrial production, the adjusted plan was overfulfilled. At the same time, capital construction was greatly scaled down, market supply began to improve, and the entire economy was moving toward stable growth. In 1963 and 1964, the economic situation throughout the country continued to show notable improvement. The readjustment continued into 1965, and by that time the national economy had fully recovered and was developing, and the people's livelihood was improving. Comrade Shaoqi had played a very important part in this change.

### III

An important idea that Comrade Shaoqi utilized to guide economic readjustment in the early 1960's was to act in accordance with objective economic laws, manage the economy by economic means, and resolve economic problems by economic measures.

The ideological roots of the "Great Leap Forward," which led to the difficult situation characterized by serious dislocation of the national economy, could be found mainly in the exaggeration of the role of the subjective will and the disregard and violation of objective economic laws. The prevailing practice of setting "unrealistically high targets," and giving "arbitrary and impractical directions" was also the result of managing the economy by administrative decrees. Therefore, Comrade Shaoqi particularly emphasized the need to act in accordance with economic laws and manage the economy and resolve economic problems by economic means in the process of readjusting the national economy and bringing into better balance the relations between the various sectors. He put forward many important ideas in this regard during his investigation tour of over 40 days in Hunan between April and May 1961. His ideas, as far as I know, can be grouped into the following several points:

#### 1. Emphasis on the Use of the Law of Value To Guide Production

Pointing to the irrational state of production, which was caused by many irrationally set prices at the time, he asked: Some products are over-produced while others are under-produced. Does it not make sense to use the law of value to guide production? He also pointed out: Prices, when set irrationally, do not merely get in the way of production; they also undermine production and productive forces. He suggested that the province and its counties convene a meeting to change the irrational prices of certain products that fall within the jurisdiction of the local authorities. He also said: It seems that you may need to convene two to four price meetings a year to readjust the prices of those commodities within your authority. You must not wait until problems get out of hand and the people everywhere begin to complain. You should be a little more sensitive. Whenever there is a problem, you should convene a meeting and make the price more rational. In view of the importance of the price issue, Comrade Shaoqi proposed establishment of a corresponding commodity price management office at each level from the county people's government up to the central people's government, to be devoted solely to the study of price policy and the readjustment of irrational prices in a timely manner in order to help guide and promote the development of industry and agriculture.

2. He stressed that commodity circulation should be based on rational economic ties. He opposed restricting commodity circulation to a designated area, or distributing commodities according to administrative divisions.

The "Great Leap Forward" disrupted many rational commodity circulation channels formed through history. At that time, our commodity circulation was not based on economic areas. Instead, we distributed commodities and allocated and transferred goods and materials according to administrative divisions. This not only slowed down commodity circulation, increased the expenses for commodity circulation, and raised the proportion of damaged commodities, but also resulted in irrational commodity distribution. It not only hurt the development of production, but also put the masses who wanted to buy commodities to great inconvenience. Grassroots commercial enterprises and the masses strongly objected to this practice. After understanding this situation, Comrade Liu Shaoqi pointed out: It is necessary to restore the rational, traditional economic relations formed on a long-term basis. It is necessary to permit the freedom of selling commodities. Checks at each level and business restrictions to designated areas are not commerce. Today we have too many tax office outposts. These are artificially set obstacles and barriers, not objective laws of the economy. He also said: Commercial workers must learn to do business and should do better than capitalists. By "better," I mean faster commodity circulation, lower expenses for commodity circulation, a smaller proportion of damaged commodities, fair commodity distribution, greater convenience for the masses, and more labor saving for the masses.

3. He stressed that we must follow the principle of exchange of equal value when purchasing farm and sideline products. He opposed resorting to coercion and commandism.

Comrade Liu Shaoqi seriously and sharply criticized the style of resorting to coercion and commandism among personnel who purchased farm and sideline products in those days. He said: When you blame someone who has eaten an egg for having eaten "socialism" up, then he cooks the hen and eats it up, that is, he eats up "communism." Therefore, the so-called cutting off the "tail of capitalism" is actually cutting off the flesh of socialism. Comrade Liu Shaoqi further pointed out: It is necessary to study the question of mandatory purchase of farm and sideline products. He proposed that mandatory purchasing of farm and sideline products be lessened or abolished. He advocated signing purchase and sales contracts with peasants and carrying out exchange of equal value between farm produce and industrial products.

4. He stressed observing the principle of distribution according to work, raising handicraftsmen's wages to develop their enthusiasm, and restoring and developing the handicrafts industry production.

Comrade Liu Shaoqi always paid attention to the question of distribution according to work. He believed that under the socialist system, contradictions between production relations and production found much expression in the question of distribution. He repeatedly stressed that if wages were not paid according to work and that if

things were not fair, the development of the productive force would be obstructed. If we observe the principle of distribution according to better work and keep to fair distribution, we can promote the development of productive forces. When he conducted an investigation in Hunan, he found that handicraftsmen's wages were greatly reduced after people's communes were established in rural areas, and that a serious egalitarian trend existed in distribution. He noted: A blacksmith's income is 60 to 70 yuan per month. In a commune-run plant, there are five grades in the wage scale, with 24 yuan as the highest and only 12 yuan as the lowest. Such commune-run plants will certainly go bankrupt. If this question is not solved, the worker will certainly quit. Comrade Liu Shaoqi said handicraftsmen's wages in 1956 and 1957 were on the whole reasonable. It is necessary to return to the pre-1957 level, or higher, not lower, than those days. In case their wages were low, the worker would work out boycott measures. When wages were low, work efficiency would never be high, output would never be high, and product quality would never be good.

5. He stressed that the two socialist ownerships (ownership by the whole people and collective ownership) should not be mixed up.

The "equalitarianism and indiscriminate transfer of resources" and the "tendency to effect the transition to communism prematurely" during the "Great Leap Forward" abolished the mass collectively-owned economic organizations of the past—the supply and marketing cooperatives and the handicraft cooperatives. The supply and marketing cooperatives became the supply and marketing departments of rural people's communes or state-owned buy-and-sell stores. The handicraft cooperatives became commune-run or county-run industries. Collectively-owned property was indiscriminately transferred to others, and small collectives became large collectives or state-owned organizations. Such a change in the relations of production, ignoring the level of development in current productive forces, dampened the enthusiasm of the broad masses, disrupted productive forces, and created disorder in social and economic life. During the investigation, Comrade Shaoqi listened to the opinions of the masses, regarded the new practice as erroneous, and held that the old practice should be resumed. He suggested that the supply and marketing cooperatives and the handicraft cooperatives under collective ownership be restored. Summing up the basic experience and lessons of the "Great Leap Forward," Comrade Shaoqi clearly and definitely pointed out in early 1962: "The two socialist systems of ownership—state ownership and collective ownership—should not be confused. The change from collective ownership to state ownership is a gradual process over the entire course of building socialism. The change cannot be made in a short time. It requires a very long period, say, several decades. We will commit the mistake of exploiting the peasants and hurt and even undermine the worker-peasant alliance if we confuse the two systems of ownership and prematurely turn collective ownership into

state ownership in disregard of the level of development in the productive forces, the objective conditions, and the peasants' wishes." (p 362)

Comrade Shaoqi's views mentioned above were accepted by the CPC Central Committee when it prepared the "Provisions of the CPC Central Committee on Certain Policy Questions Concerning the Urban and Rural Handicrafts Industry (A Draft for Trial Use)" and the "Certain Provisions of the CPC Central Committee on Improving the Work of Industry and Commerce (A Draft for Trial Use)." The two sets of provisions were discussed and adopted by the central work conference held in Beijing from late May to early June 1961. Their implementation played an important role in readjusting the handicrafts industry, commerce and agriculture, restoring and developing the production of the handicraft industry, restoring and promoting commodity circulation between urban and rural areas and between different regions, and improving market supply.

In addition, the idea of using economic methods to manage the economy put forward by Comrade Shaoqi also contain another important content: to change the system of relying solely on administrative organization and means to manage industry and set up trusts on a trial basis.

After the founding of the People's Republic of China, the capital construction and management system of our industry, particularly heavy industry, were basically patterned on Soviet models. After investigation, Comrade Shaoqi pointed out the disadvantages of the management system and put forward ways to improve it as early as the First 5-Year Plan period. In his political report to the Eighth CPC National Congress, he pointed out: "Here I must point out a fact. Higher-level state organs usually exercise overly rigid and too much control over enterprises, obstruct the initiative and mobility of enterprises, and cause unwarranted work losses. We should ensure that enterprises, operating under unified state leadership and a unified plan, have certain autonomy in planning, financial management, cadre management, worker assignment and welfare.... Leading organs in our economic department must manage seriously and well what they should manage, and they should not mind the business that they can ignore or should not mind. Only by combining the strong leadership of higher-level state organs with the initiative of enterprises can we rapidly push our undertakings forward." (p 233) At the beginning of the 1960's, in guiding the economy and readjusting work, Comrade Liu Shaoqi further explored and studied the question of improving the economic management system. He made numerous suggestions, including breaking up the demarcation line between departments and regions, changing the management system between departments and between units at higher and lower levels, and running a trust on a trial basis. These were all useful attempts under Comrade Liu Shaoqi's guidance. He said: Ministries, departments, and bureaus are all administrative organizations. They use the administrative method to run enterprises and interfere

with the economy. This super-economic method of management is not the socialist method; it is not even the capitalist method; it is the feudalist method. He suggested that objective economic law be followed and that an economic organization such as an integrated corporation or a trust replace administrative organizations to manage economy. The party Central Committee consented to Comrade Liu Shaoqi's suggestion, supported the running of a trust on a trial basis, and approved the Light Industry Ministry Party Group's report in March 1963 on the decision to establish the China Tobacco Corporation for state monopoly for the purchase of raw materials and product marketing. Later, in August 1964, the party Central Committee and the State Council also approved the State Economic Commission Party Group's report and decided to run 11 more trusts on a trial basis in the industrial and communications departments. These trusts that were run on a trial basis achieved marked economic results. They not only promoted the development of the productive force, but also improved enterprise administration and management. On 1 June 1965, hearing a report on running the trusts on a trial basis, Comrade Liu Shaoqi said: When we run trusts, we must follow the principle of economic management and take rationality into consideration. "We are not going to run only 12 trusts. We must be farsighted and look at questions from all sides.... The general goal is to push our economy forward.... When our economy is pushed forward, we can develop specialization, standardization, and serialization, improve product quality, increase product variety, reduce production costs, and increase labor productivity. This is in our national interests, in local interests, and in the interests of our society as a whole." (pp 474, 475)

Comrade Liu Shaoqi's exposition of New China's economy involves a very wide aspect with rich contents. Our practical experience has proved that his economic thoughts accord with our national conditions and are Marxist. However, for various reasons, particularly because of the influence of the "left" guiding ideology that played the dominant role in the party Central Committee after 1957, his numerous important suggestions were not well implemented while he was living, but were erroneously faulted and criticized during the "Great Cultural Revolution." After the the 11th CPC Central Committee 3d plenary session, the party Central Committee eliminated chaos and restored order, thereby resuming and developing the ideological line of seeking truth from facts. Under the guidance of the general policy of keeping to the four fundamental principles, making reform, and opening to the outside world, our national economy as a whole has changed tremendously. We must study new conditions, solve new questions, and sum up new experiences. In addition, we should also understand and study the tortuous road that we took and the historical experience we acquired in the past. Researching Comrade Liu Shaoqi's economic thought and studying his numerous important

economic theses are of important and immediate significance in terms of deepening our understanding of the party's present policies and the party's theory on the initial stage of socialism.

#### Footnotes

1. *Collected Works of Liu Shaoqi*, Vol 2, pp 328-329. Only page numbers will be given [in text] in future reference to this book.

**A Brief Probe Into Liu Shaoqi's Theory and Practice Concerning the Workers Movement**  
*OW2511025988 Beijing QIUSHI in Chinese*  
*No 9, 1 Nov 88 pp 16-19*

[Article by Chen Juncong 7115 0689 5115]

[Text] Liu Shaoqi was a famous activist in and an outstanding leader of the Chinese workers movement. During the period of the Chinese new democratic revolution, he engaged in and led the workers movement for as long as 14 years. For the rest of his time, he always paid attention and gave guidance to the workers movement. During the period of socialist revolution and construction, as one of the principal party and state leaders, Liu Shaoqi also devoted his efforts to the workers movement. He made a profound study of the theory and practice concerning the Chinese workers movement. Therefore his theory on the workers movement is not only systematic and all-round but rich and incisive. Here we would like to expound in brief some of his important theories and practice concerning the workers movement.

His career in the workers movement started in 1922. On his return from Moscow in the spring of 1922, the party assigned him to work in the secretariat of the China labor group. Coal miners of the Anyuan road coal mine started a strike on 11 September. Assigned by the Hunan District CPC Committee and Mao Zedong, Liu Shaoqi went to the Anyuan coal mine on that day. Together with Li Lisan, he decided on holding a general strike, on drafting a strike declaration, and on formulating a policy for struggle. As the chief representative of the workers, during the striking days he "stayed at the club to handle everything" and to guide all work. He was brave and resourceful in waging a tit-for-tat struggle against the enemy. Eventually, the workers scored a victory in their strike. After the victory in the strike, the Anyuan road coal mine club was reorganized. Liu Shaoqi was appointed a director in charge of activities outside the coal mine and became chief director of the club in early 1923. After the failure of the February 7th Beijing-Hankou railway workers strike, the northern warlords carried out suppression against the workers and closed down their unions, thus bringing the workers movement to a low ebb. In this situation, the Anyuan trade union did not act rashly or take chances. Under Liu Shaoqi's guidance, it consolidated its organization, held firm to its position, and continued to lead the workers in their struggle. Apart from gaining certain victory, the Anyuan

trade union became a bright "prairie fire" illuminating the country's workers movement. In an article entitled the "Anyuan Trade Union After the Failure of the February 7th Strike" published in April 1925, Liu Shaoqi pointed out: "The fellow workers in Anyuan were still doing well even after the failure of the February 7th strike. This was because they could unite as one, strive forward, and judge the situation." "Being able to unite as one, strive forward, and judge the situation" was a vivid portrayal of the cause of the Anyuan trade union's "survival" and was also an incisive summation of its successful experience.

In May 1925, in his capacity as chairman of the Hanzhiping trade union Liu Shaoqi took part in the preparation for the second national labor congress, presided over it, and made a report entitled "On the Working Class and Political Issues." He also drafted many documents for the congress. Subsequently he was elected executive member and vice chairman of the All-China Federation of Trade Unions. Since then he became one of the leaders of the workers movement and took up the glorious and arduous task of leading the country's workers movement. While in Shanghai he was director of the general affairs section of the Shanghai Federation of Trade Unions. He took part in the May 30th Movement and worked tirelessly for a general strike in factories, schools, and markets in Shanghai. He went to Guangzhou in February 1926 to replace Lin Weimin as acting chairman of the All-China Federation of Trade Unions, because the latter was suffering from a sickness and resting to convalesce. During this period he also took part in the leadership work of the Guangdong-Hong Kong general strike. He did a great deal of work for promoting workers movements in Guangzhou, Hong Kong, and the rest of the country. In May he attended and presided over the third national labor congress. At the congress he made a report entitled the "Development of the Chinese Workers Movement Over the Past Year." Apart from clarifying the major tasks at that time, the report also pointed out the proletariat's position and role in the democratic revolution, the necessity for the proletariat to lead this revolution, and the basic conditions for the proletariat to exercise its leadership, thus resolving the theoretical question of proletarian leadership over the democratic revolution. At the congress Liu Shaoqi was elected secretary general of the All-China Federation of Trade Unions.

In October 1926 Liu Shaoqi went to Wuhan to make preparations for setting up the Wuhan office of the All-China Federation of Trade Unions. This would facilitate the removal of the federation's general office to Wuhan. During this period he concurrently assumed the post of secretary general of the Hubei Provincial Federation of Trade Unions. He worked in Wuhan for almost 10 months from October 1926 to July 1927. He joined and led the workers' struggles in the Wuhan area and the rest of Hubei. He led the workers and other working people in Hankou in their efforts to recover areas on lease to Britain and in their great struggle against imperialist powers, feudal warlords,

and the new KMT rightists. He devoted all his efforts to the workers movement and made great contributions to the struggle against imperialist powers. Based on the workers' struggles, he wrote three pamphlets entitled the "Trade Union Congress," the "Economic Problems of the Trade Union," and the "Basic Organization of the Trade Union," which expounded the basic issues of trade union work in an all-round, systematic, and profound manner.

After the failure of the great revolution, Liu Shaoqi led the workers movement for a long period in the KMT-controlled areas. During the arduous revolutionary struggle in these areas, he persisted in the Marxist principle of combining theory with practice, waged an unswerving struggle against leftist tendencies, and worked out many correct ideas and policies for the workers movement in these areas.

In his opinion, in a situation where revolutionary trade unions could not exist, the workers could join underground trade unions to win over the masses, to preserve their strength, and to carry out revolutionary work. He urged using legal provisions in the KMT factory and trade union laws that were favorable to the workers to organize them in their struggle, because this would benefit the workers movement. In a letter to the Central Committee of the party, he pointed out that the workers' struggles in the KMT-controlled areas were of a defensive rather than offensive nature. He also provided theoretical explanations for this idea. In the minds of leftist opportunists represented by Wang Ming, Liu Shaoqi's views portrayed the ideas of rightist opportunists. Therefore, Liu Shaoqi was dismissed from the post of minister of the central workers' affairs department at a Political Bureau meeting on 14 March 1932. He was also attacked and repudiated by Wang Ming and other rightist opportunists. However, the practice the workers movement proved that Liu Shaoqi's views were correct. In April 1936 the party confirmed his proposal for winning over the masses and the majority of the workers, for preserving the strength of the working class, and for making preparations for the future workers movement in the KMT-controlled areas. This proposal was also entered in the "resolution concerning certain historical questions" approved by 7th plenary session of the Sixth CPC Central Committee. His correct proposal and policy helped resolve a number of major problems concerning open and secret work, legal and illegal struggles, as well as economic and political struggles in the KMT-controlled areas.

In the winter of 1932 Liu Shaoqi came to the central Soviet zone and assumed the post of chairman of the Soviet zones' central executive bureau of the All-China Federation of Trade Unions. During this period he did the following jobs with regard to exercising leadership over the workers movement in Soviet zones: Establishing relationships between Soviet zones; helping trade unions to display their role in setting up Soviet political power, in building revolutionary bases, and in carrying out revolutionary war; making preparations for the formation of a union for farmers, shop assistants, transport

workers, and state enterprises' employees; and forming a workers division for the Chinese Workers and Peasants Red Army so that trade unions in Soviet zones became "firm trade unions," the "mainstay of Soviet political power," and "schools where the workers could study communism." He also made contributions in the following aspects: With regard to helping unemployed workers in Soviet zones to find employment, he suggested stopping the practice of "compulsory job recommendation" and the method of providing relief funds for them, and urged that the relationship between the workers' long-term and short-term interests be correctly handled; he explained that it was important for the trade union to safeguard the workers' economic interests and pointed out that this was an important task of trade unions in Soviet zones; he clarified the position and role of state and cooperative enterprises in Soviet zones and called on their workers and staff to take a new attitude toward their work; and to resolve problems concerning the management of state-run factories in Soviet zones, he laid down the relevant principles and methods to guide and manage these factories. For the first time he explained the necessity of implementing the factory director responsibility system in state-run factories and exercising management over these factories through the "three people group" (the factory director, the factory party committee secretary, and the trade union chairman) and the factory committee. He demanded that state-run factories formulate complete regulations and labor discipline so as to stimulate the workers' enthusiasm in work. His theory on the management of state-run factories played an important role in improving leadership and management of factories in Soviet zones and in promoting industrial construction in these zones.

The period of the war of resistance against Japanese aggression was an important period for Liu Shaoqi's theory to mature and develop. His explanations concerning the mass movement played an important role in pushing forward the mass movement along a healthy road. In his opinion, organizing all the working people, uniting all those who refused to be enslaved, and combining all political parties and groups to form a national united front against Japanese aggression was the general principle of the party to defeat Japanese imperialism. Liu Shaoqi urged the establishment of a united front of the upper stratum and a united front of the lower stratum. He pointed out that the relationship between these two united fronts was dialectical. To put it more specifically, on the basis of the united front of the lower stratum, efforts should be made to expand the united front of the upper stratum, whereas the united front of the upper stratum was for the purpose of smoothly organizing the united front of the lower stratum. However, the proletariat should not give up its principles in uniting with their alliances; instead, it should attract their alliances by displaying correct political proposals, scientific work methods, the ability to guide struggle, and initiative in waging the struggle for national independence. When their alliances stick to their mistakes and

are leaving the proletariat, the proletariat should resolutely criticize and expose their mistakes so as to stop them from leaving and to save them. This is how he explained and also what he did in central and northern China. This helped enrich and develop the party's theory and practice concerning the national united front against Japanese aggression.

It must be pointed out that during the war of resistance against Japanese aggression, Liu Shaoqi made a systematic and all-round summation of the lessons and experiences in the Chinese workers movement, particularly in the workers movement during the great revolutionary period, thereby bringing to light the historical law governing the Chinese workers movement.

In March 1949 the 2nd plenary session of the Seventh CPC Central Committee discussed how to thoroughly seize a nationwide victory and to bring about a strategic change in the party's work focus, that is, to shift from rural to urban areas. In late March Liu Shaoqi moved to Beijing together with CPC central organs. Between April and May he conducted investigations in Beijing and Tianjin and made a number of speeches concerning the following problems: 1) He proposed the general line for urban management. He pointed out that according to a decision of the 2nd plenary session of the Seventh CPC Central Committee, it was necessary to wholeheartedly rely on the working class, to unite with other working people, and to win over intellectuals, the national bourgeoisie, as well as their representatives in the struggle against imperialists, feudalists, and bureaucrat capitalists. Learning how to exercise urban management and to restore and develop urban production and undertakings was the general line of urban management he proposed. 2) He proposed taking account of these four types of relationships: The relationship between labor and management, the relationship between public and private interests, the relationship between the urban and rural areas, and the relationship between internal and external. With a good job being done in these four relationships, urban work could also be done well. 3) He pointed out it was necessary to organize the workers because the force of the proletariat lay in being well organized. He said that the working class would soon become a class exercising leadership over the entire country. To enable it to perform its leading function, the working class should organize its own force through the trade union, and only thus would it be able to lead the people of the whole country in building the motherland. 4) He said that the workers' demands should be properly met. After the party became the ruling party, the working class would be politically emancipated. However it would be difficult to meet their economic demands. Because the country had been reduced to poverty and backwardness by the war, it would take financial and material resources as well as time to rebuild it. Therefore it was necessary to develop production so as to gradually improve the workers' livelihood and welfare. 5) He also talked about the relationship between the working class and the national

bourgeoisie. He said that it was inevitable for the working class to fight against the national bourgeoisie, but at the same time it should also unite with the national bourgeoisie. In the political field, the working class should unite with the national bourgeoisie in their struggle against imperialist, feudalist, and bureaucrat capitalists; in the economic field, it should unite with the national bourgeoisie in developing production. Which was more important during that period, uniting with the national bourgeoisie or fighting against it? Uniting with it was more important. It was necessary for the working class to wage proper combat against the national bourgeoisie, but this should not ruin their unity; should this combat result in the elimination of the national bourgeoisie, this would be harmful to the country and the people. 6) Carrying out production well was an important task of the trade union. Liu Shaoqi said that after the working class seized political power, the workers movement should tally with production. The trade union should protect the workers' interests, but without the development of production their livelihood could not be improved, nor could their interests be protected. By saying that the trade union should be responsible for the development of production, he did not mean that the trade union should organize production but that it should join the factory management committee. On the one hand, it should share its effort in working out production plans and encouraging the workers to work hard for the fulfillment of these plans; on the other, it should combat whatever ran counter to the workers' interests. In short, the problems Liu Shaoqi explained were major problems the working class should resolve at that time.

After the founding of the PRC, the working class gained control over the country's political power and became the ruling class. When a fundamental change was taking place in the nature of society and class relationships, Liu Shaoqi began to explore the theory concerning the internal contradiction between the working class and the rest of the people, and the methods to resolve the internal contradiction of state-run factories. After the workers' state nationalized factories and carried out democratic reform, Liu Shaoqi said, there was no longer class confrontation or exploitation in state-run factories and the relationship between labor and management became a relationship between comrades. But, he added, this did not mean that there were no other contradictions in state-run factories. The contradiction between the management departments of state-run factories and the workers still existed, would continue to exist for a long time, and should therefore be conscientiously adjusted and handled. Of course, this contradiction was completely different from the class confrontation between the workers and the capitalists. Because it was an internal contradiction between the working class and the rest of the people, it could and should be resolved in a comradely and conciliatory manner and by strengthening unity between them. Liu Shaoqi also studied the necessity for the trade union to exist during the socialist

period and the contradiction of administrative relationship during this period. He pointed out that it was necessary for trade unions to exist in state-run factories at that time and for the long period of socialism in the future. State-run factories' managerial personnel and those in charge of trade union work had a unanimous and common stand on the question concerning the interests of the working class. But on the question concerning their own interests, they had some contradictions. In other words, although their basic interests were identical, they had certain contradictions of individual interests. In this connection, the latter interests should be subordinated to the former interests. Liu Shaoqi also set the basic tasks of the trade union. As he pointed out, conscious elements among communists and workers regarded the trade union as a bridge linking the party and the workers, as one of the social columns supporting the people's political power, and as a factor playing an important role in economic construction and strengthening state power. These are the demands of the pioneers of the working class for the trade union. But ordinary and, in particular, backward workers had a simple way of thinking. They simply hoped that the trade union could protect their day-to-day personal interests. These different views resulted from their different levels of consciousness. The trade union's basic task was to unify these differences. In addition, he also studied the theories concerning workers' education, the two labor systems, the two educational systems, and wages.

After the founding of the PRC, apart from assuming the post of party and state leader, Liu Shaoqi was concurrently Honorary Chairman of the All-China Federation of Trade Unions. He took part in the study and formulation of the line, principles, policies, and theories guiding trade union work, thereby forming Liu Shaoqi's theoretical system concerning trade union work during the socialist period. His theoretical system concerning trade union work during the socialist period has complete, systematic, and practical guiding significance.

### **Manage Party Affairs Strictly and Enforce Party Discipline To Ensure the Sound Development of Reform**

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No 9, 1 Nov 88 pp 20-24*

[Article by Chen Zuolin 7115 0155 7207]

#### **[Text] 1. We Must Manage Party Affairs Strictly and Enforce Party Discipline in the Course of Deepening Reforms**

To manage party affairs strictly is a guiding principle for our party building reiterated by the 13th national party congress. It is based on our practical experience gained since our party came into power, particularly since we began the policy of opening to the outside world and invigorating the economy. In order to seriously take on the responsibility of leading the reforms and construction, our party not only needs correct theories and practices and

correct principles and policies, but it also must have strict rules and order within itself and the guarantee of strict discipline. Many facts show that if we fail to manage party affairs strictly, it is likely that some party organizations and party members will go their own way, practice decentralism, or even establish independent kingdoms inside the party. It is likely that some party members, particularly leading cadres with party membership, will abuse their power to seek private gains, or will even use their power status to commit crimes. Our party might gradually lose its rallying power and fighting power, divorce itself from the masses, be unable to meet the challenge of new circumstances, and even become corrupt. It is precisely for this reason that the 13th national party congress solemnly reiterated: "We must strictly manage party affairs and enforce party discipline."

To enforce party discipline is the central link in the strict management of party affairs. Without strict discipline, strict management of party affairs will be out of the question. To enforce iron discipline has always been a reliable guarantee for us to overcome difficulties and win victories in our revolution. If we ignore discipline and fail to enforce discipline, our party will be "like a sheet of loose sand" unable to become a "fist" that can throw winning punches; still less will it be able to unite millions upon millions of the masses in the struggle for common interests. Marx once said: "We must absolutely maintain party discipline or we will accomplish nothing." Comrade Mao Zedong said: "If our sense of discipline is enhanced, our revolution will be invincible." These truths have been proven by our party's struggle to seize and consolidate political power. They have also been proven by our party's practice of reform and construction in recent years. We should constantly enhance our understanding of them in the course of practice.

It is worthwhile for us to sum up our experience seriously in regard to one fact of the past year; that is, although the 13th National Party Congress unambiguously reiterated the principle of strictly managing party affairs and demanded the enforcement of party discipline, the whole party has not taken the matter seriously. Many party organizations and leading cadres with party membership are not truly adhering to the correct principle of persistently carrying out reforms and opening to the outside world while strictly managing party affairs and enforcing party discipline. As a result, some party members have very little sense of discipline and a very poor awareness of the need to enforce discipline. While the reforms are being constantly deepened, the problem of disobeying orders and violating discipline has become more and more conspicuous and serious. There are some erroneous tendencies which, if left to become worse, will disturb economic order, undermine the stability in the society, and make it difficult to deepen the reforms. The main indications of these erroneous tendencies are as follows:

1. Some party organizations and cadres with party membership are not identifying themselves with the party Central Committee, and are working for individual or

partial interests at the expense of the overall interests of the state. Some of them disregard the needs of reforms, put lopsided emphasis on the "special conditions" of their departments or regions, and go their own way. Others "adopt countermeasures to resist higher level policies." Likening the central policies to a "red light," they say that they will "make a detour at the red light." They find excuses to "adapt to circumstances" the policies and instructions of the party Central Committee and the State Council. They implement central resolutions only if the resolutions are to their liking. Some of them, when handling major issues that concern the interests of the whole, make decisions without reporting to higher authorities for instructions or even "act first, report afterwards, act and report at the same time, or act without reporting at all." It is even more disturbing that these disguised forms of resistance against the central policies and the serious violations of party discipline have not aroused due attention, nor has anyone taken any resolute actions to stop them. On the contrary, they are regarded by people as "reformative and innovative" experience, and are being spread and adopted by more people everywhere. Some similar viewpoints have been publicized by some newspapers, instead of being criticized as they should be.

2. Disobeying order and defying prohibitions are fairly common practices. The party Central Committee has time and again stressed the need to reduce the scale of capital construction projects, but various districts and departments continue to expand their capital construction plans, and the office buildings, auditoriums and guesthouses they build are more sumptuous than ever before. The party Central Committee has time and again issued strict orders for control of the purchasing power of social groups, but many units still vie with one another to import and purchase expensive limousines and other superior quality consumer goods. They try to find loopholes in various rules and regulations to spend money, while failing to fulfill their quotas in curtailing expenditures. The party Central Committee has put forward a plan for price readjustments this year. This plan affects the prices of meat, poultry, eggs, vegetables, cigarettes, and liquor only. Although it has repeatedly issued warnings against unauthorized price increases or disguised price hikes, the problems such as climbing on the bandwagon to jack up prices or increasing prices in some disguised way remain unsolved. As a result, the price indices have continued to soar and have become out of control. The party Central Committee has repeatedly ordered the party and government organizations not to do business or run enterprises, but they are still doing so in some localities, and the situation is getting worse and worse. All this has seriously damaged the image of the party and the government.

3. Some party members, particularly those who are leading cadres, have ganged up with lawless persons in society, defied party discipline and state laws, and tried one thousand and one ways to avail themselves of the

loopholes in the reform program to fraudulently purchase commodities and sell them at a huge profit. They have engaged in smuggling, speculation and other illegal activities, driven up prices, and acted as middlemen to exploit consumers, harming the people and the state. Some other party members who are leading cadres, particularly those in charge of various development projects, funding, and supplies, have abused the power in their hands to get petty advantages at the expense of the people, or have wilfully make trouble from time to time. They have also extorted and accepted bribes, engaged in embezzlement and theft, and committed various illegal and criminal activities.

The aforementioned situations, which reflect lax discipline, have seriously affected the overall and healthy development of the reform program. Loss of the overall control in economy, inflation, economic barriers between the various regions, and the "battles" to purchase various types of raw and semifinished materials have tarnished the image and reputation of the reform program. They have affected, to varying degrees, the stability of the state, the healthy development of the national economy, and the improvement of the people's living standards. If these chaotic situations are resolutely corrected, they will definitely prevent the administrative directives and orders from being carried out and the government from functioning properly. They will create nationwide economic turmoil and disorder in society. If we fail to strictly enforce party discipline; to adhere to the principle that "individual party members are subordinate to the party organization, the minority is subordinate to the majority, the lower party organizations are subordinate to the higher party organizations, and the whole party is subordinate to the party Central Committee"; and to obey orders and avoid practice what is prohibited, our reform and construction will fall short of success for lack of a final effort.

China's tremendous achievements in carrying out reforms and construction over the past decade have become the focus of world attention. Right now, our economy is also moving upwards, and the general situation is excellent. However, there are also marked difficulties and problems. In order to overcome these difficulties, solve these problems, and further deepen the reforms, we must once again stress the need to maintain high standards and improve the quality of party members, to follow the principle that all party members must unify as one in ideology and in action, and to ensure that party discipline will be strictly and clearly enforced. Whether we can achieve this goal will determine if we can successfully carry out our reforms and if we can win the support of the people. All this will affect the future and the fate of our party and state. The 3d plenary session of the 13th CPC Central Committee and the central work conference put forward the targets for improving the economic environment, rectifying the economic order, and deepening the reforms in an overall manner. They also worked out some important measures for fulfilling these targets. The party Central Committee

is determined to ensure the implementation of such important measures by strictly enforcing party discipline. Comrade Deng Xiaoping has pointed out: When a decision is made, it has to be carried out resolutely. We have to be strict, never lenient. We have to do it this way, even if we carry it out a little bit in excess. Under this condition, all Communist Party members, particularly those who are leading cadres, should earnestly study and understand the guideline laid down by the 3d plenary session of the 13th National Party Congress; consciously strengthen their concept on party discipline; and identify themselves with the party Central Committee. Whether or not a party member consciously observes and resolutely safeguards party discipline, ensures that his actions match his words under the unified guidance of the party Central Committee, and obeys all orders and upholds prohibitions are important criteria to determine if he has strong or weak party spirit.

## **2. It Is Necessary To Make an Accurate Analysis of Lax Discipline at Present**

For some time, some party organizations have been loose, their discipline lax, their supervision ineffective, and their enforcement of discipline not strict. The situation in this regard has become increasingly serious indeed. This situation undermines the unity of the party, hampers the implementation of its line, principles, and policies, and affects the sound development of reform and construction. It has aroused strong discontent among the masses and attracted the close attention of the society as a whole. We must have a clear understanding and an accurate analysis of the situation.

It should be noted that various negative phenomena in the economic and political life of our country have a process of appearing, spreading, and becoming aggravated. There are many socioeconomic causes for them, as well as causes for them in the political life of the party. Problems of fundamental importance are ones concerning the structure and system. As the new structure is replacing the old one, there are still defects of the old structure, imperfections or immaturity of the new one, and friction and collision between the two. At the same time, there also exist loopholes in the two structures and a vacuum between them. With the rapid development of reform, tremendous changes have taken place in people's thinking and ideas. In such a situation, it is quite easy for bad elements to avail themselves of loopholes and for mistakes to be made in adopting specific measures and methods for reform. In a sense, it is hard to avoid such a situation. To reduce our mistakes and our costs in reform to the minimum, we must persist in bringing our political advantages into full play, uphold party leadership, and adhere to the principle that the whole party maintain unity in ideology and will and keep in step under the leadership of its Central Committee. Problems of lax discipline arising in the course of reform should be solved by deepening the reform. However, what should merit our attention is that judging from the existing problems of lax discipline, subjective factors of some party organizations and members are a major cause of such problems.

The first problem is one of ideology and understanding. In recent years, the inaccurate understanding of the discipline problem and ideological disunity in this regard have seriously damaged the sanctity of party discipline and have greatly affected the ideological unity of the party and its marching in step. Some people mistakenly hold that discipline can be relaxed as the policies of reform and opening to the outside world are being implemented and the economy invigorated; that the overall situation and the interests of the state can be disregarded as beneficial results are stressed and as enterprises are given greater decisionmaking power and are allowed to make more profits; and that the principle of party spirit can be ignored and administrative means are no longer effective as stress is put on the law of value and economic means. Such erroneous views have adversely affected the implementation of the party's line, principles, and policies. The cropping-up of the above erroneous views has to do with the insufficient preparations for and the immaturity of the theory of reform. However, what is more important is that since the implementation of the policies of reform and opening to the outside world, many party organizations and leading cadres who are party members have relaxed their efforts to study the basic theory of Marxism and have failed to correctly apply the Marxist world outlook and methodology. They have even negated or distorted the basic Marxist standpoint with a subjectivist or pragmatic attitude. This inevitably leads to confusion in handling the relationship between economics and politics, between democracy and centralism, between the part and the whole, and between the material and the spiritual civilization. This also encourages subjectivism, one-sidedness, and metaphysics. Some localities and departments fail to properly handle the relationship between the part and the whole and put their interests above everything else, disregarding the interests of the party and the state. They fail to properly handle the relationship between democracy and centralism, put undue emphasis on democracy and decentralization, and disregard the centralism and unity of the party and the government. They fail to gain an accurate understanding of the relationship between discipline and blazing new trails and regard the former as fetters for doing the latter. They fail to properly handle the relationship between economic means on the one hand and the law and administrative means on the other, and put too much faith in and rely too much on economic means to the neglect of necessary administrative means. Some party organizations and cadres who are party members lack a clear and unified understanding of enforcing party discipline, a problem which merits our attention and which we should make conscientious efforts to solve. Next is the problem of political quality. At present, the political quality of some party members, and even some cadres with party membership, is not high. Problems such as impurity in party spirit and lack of the sense of organization and discipline are quite conspicuous among them. A considerable portion of the large number of startling cases of law and discipline violations in recent years has involved party members. Some party members take the

opportunity of reform and take advantage of their power to seek private gains because they cannot stand the test of power and the temptation of money. Some of them, having abandoned party spirit and principles, try first to benefit themselves or their organizations, take all the power on themselves, and abuse the power to seek private gains. Others contend for high positions and fame, eager for quick success and instant benefits, and engage in fraud to get honor and high posts. Still others, having the fear of offending people or losing supporters, promise high posts and other favors, indiscriminately issue bonuses, and barter away principles. These fully show the serious problems of poor party spirit and poor quality among party members. The poor quality of some leading party cadres is also shown by another fact. In recent years, a large number of young comrades who know economic affairs, have managerial ability, and display a pioneering spirit have held leading posts on various fronts. They have become a new backbone force for our party and our country. However, some of these young comrades know relatively little about basic party knowledge, lack necessary party training, and exercise very little self-restraint. In our vanguard organization, there are party members who are impure in party spirit and poor in quality; some of them are party members in name only, and some even hold leading posts under no proper supervision. This is another important reason for the slack party organization and discipline and rampant law and discipline violations at present.

The third problem is the failure to strictly enforce discipline. Some organizations and departments are too lenient and too soft in discipline enforcement. They even confuse right and wrong, are unfair in meting out rewards and punishments, tolerate law and discipline violations, practice favoritism instead of party spirit, and stress personal relationships instead of principles. The serious consequences are that orders, bans, the "party Constitution," "Guiding Principles for Inner-Party Political Life," rules, regulations, and party discipline have become ineffective in some localities. It is particularly necessary to point out that in recent years some party members for a long time have not participated in party activities. There also exist some "special" leading cadres with party membership who are not subject to the supervision by their party organizations and fellow party members. Regular meetings of some party organizations have become merely a formality. Some discipline violation cases in the party were not detected by party organizations in their own investigations, nor were they reported to higher authorities level by level. The existence of these problems is preventing party organizations from normally exercising supervision and preventing them from having the necessary basis and conditions for enforcing discipline.

We have discussed the problem of being lenient and soft in discipline enforcement for so many years. Why haven't we solved it over these years? In addition to the above weakness in the supervisory mechanism, we should not overlook several other reasons. First, the

principle of everyone being equal under party discipline has not been truly followed in some localities. Some leading organs and leading cadres that violate discipline have not been resolutely and sternly dealt with. Some leading cadres with party membership do not support the supervisory and investigating organs in enforcing discipline impartially. Instead, they obstruct by every means discipline enforcement, and even blame the comrades who dare to resolutely enforce party discipline. Next, not understanding relevant policies and regulations of the party and the state is also an important reason why many organizations have failed to enforce discipline strictly. During the shift from the old structure to the new structure, there indeed exist some problems of inconsistency and even contradictions in policy. These problems are unavoidable in the course of reform. Some party organizations and comrades handling disciplinary cases do not correctly understand these problems. They dare not take on responsibility in the face of complex problems for fear that they might obstruct reform and opening to the outside world and commit "leftist" mistakes under the new situation if they enforce the discipline. They "turn a blind eye" to some problems and abandon their due stand and principles. We should clarify that if party organizations at all levels fulfill their duties and enforce discipline, they are in fact supporting, promoting, and ensuring the smooth process and sound development of the reform. If they ignore and tolerate discipline violations, they are the most irresponsible toward the reform.

### **3. We Must Strengthen Party Discipline Inspection Under the New Circumstances**

It is the responsibility of all party organizations, work departments, and party members to safeguard party discipline. It is the fundamental duty of all party organizations and members to see that the individual is subordinate to the organization, the minority is subordinate to the majority, the lower level is subordinate to the higher level, and the entire party is subordinate to the Central Committee. Whether or not a party member wages resolute struggle against acts that violate or undermine party discipline is a major criterion for judging whether or not he or she is loyal to the party cause and dedicates heart and soul to the party. Party discipline is discipline by conscience. It is built on the basis of conscientious observation and is safeguarded by all party comrades. Being strict with party members and strictly enforcing party discipline are major tasks which can only be accomplished by the common efforts of the whole party.

As the organs in charge of safeguarding party discipline, party discipline inspection offices must be strict with party members and seriously perform their responsibilities in enforcing discipline. They must perform their four basic functions in an all-round way. The four basic functions are "protection, punishment, supervision, and education," which were defined, on the basis of the party

Constitution, by the Central Discipline Inspection Commission at its 2nd plenary session last March. The full and all-round performance of these basic functions is the heart of the work of strengthening party discipline inspection.

The four basic functions consist of the following fundamental requirements: protecting party members from infringement of their democratic rights; punishing party members who violate party discipline and clearing corrupt elements out of the party; supervising the implementation of the party line, principles, policies, and resolutions and the upholding of democratic centralism by party cadres and organizations at all levels, especially leading cadres and organs; and educating party members to observe discipline and law, fulfill their obligations, foster the party's fine style, and improve their ability to withstand corruption.

At present, in performing the "protection" function, discipline inspection organs must pay particular attention to protecting party members' zeal for improving the economic environment and rectifying the economic order, protecting the democratic rights of the party members and grass-roots party organizations to make suggestions and to criticize and supervise leading party organs and cadres to ensure healthy development of the reform. Discipline inspection organs must seriously, strictly investigate and handle cases involving violations of democratic centralism and the party members' democratic rights. While strictly investigating and handling the mistakes of party comrades, discipline inspection organs must also protect their democratic rights in accordance with the party Constitution. There should not be any negligence of their rights.

In performing their "punishment" function, discipline inspection organs must focus on serious cases of violation of party discipline, such as cases of "disobedience of orders and breaking of the law," "disruption of the economic order by using the loopholes of reform," "extravagant and wasteful practices," and "corruption and degeneration." In investigating and handling cases, inspection organs must not avoid confronting problems. They must not be influenced by personal considerations. They must dare to take up tough issues. They must always act in accordance with party principles and ensure that everyone is equal before the party Constitution and party discipline and that all cases are handled in a way such that facts are clear, evidence is conclusive, punishments are appropriate, due procedures are followed, and the verdicts are correct and can stand the test of history.

In inner-party supervision and control, discipline inspection organs play an important role that cannot be ignored. Supervision of the discipline of party organizations and individual party members must be exercised on a regular basis and institutionalized. At present, discipline inspection organs must pay particular attention to strengthening the supervision of the discipline of

the party committee and leading party cadres at their own level to ensure that they implement central policy decisions. Discipline inspection organs should take immediate action to remind those concerned and help them correct their mistakes when there is the smallest sign of an erroneous tendency. They should report major problems to the party committee and the higher discipline inspection commission in accordance with the organizational procedures. At the same time, they should set up an appropriate system to strengthen inspection of their own work, increase its openness, and conscientiously accept the supervision of party organizations and the masses inside and outside the party.

Discipline inspection organs should successfully carry out the education of party members in light of the characteristics of their particular work. They should adopt a variety of means to educate party members in the basic knowledge concerning the observance and safeguarding of party discipline and the country's policies and decrees, paying particularly attention to the use of typical cases and audio-visual equipment to educate them in a vivid manner.

The four basic functions of the discipline inspection organs supplement each other and together they form an integrated whole, although they differ with each other in terms of the specific contents and demands and cannot substitute for one another. They guarantee the implementation of the party line, principles, and policies through safeguarding and strengthening party discipline. Under the current circumstances, discipline inspection organs should try to guarantee the all-round deepening and healthy development of reform. This is the basic point of departure in exercising their functions.

The task set at the 3d plenary session of the 13th CPC Central Committee for the whole party is arduous. To accomplish the task and deepen the reform, it is imperative that we unswervingly implement the policy of getting strict with party members and uphold the solemnity of party discipline. Safeguarding party discipline is not only the responsibility of discipline inspection organs, it is also the responsibility of every party organization, every party work department, and every party member. Comrades who are concerned about the future of our party and country and who dedicate themselves to the reform should strictly abide by the relevant policies and rules and regulations of the party Central Committee and the State Council, conscientiously safeguard the general interests of reform, and use our exemplary conduct to demonstrate to the nation that our party is capable of achieving unity in will and action and discharging its historical mission of reform and construction under whatever difficult and arduous circumstances and that our party is worthy of the great historical times.

# **An Important Aspect in Developing Marxism—Xu Chongwen on Study of 'Western Marxism' in China**

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[Article by staff reporter Chen Qiju—first paragraph is editor's note]

[Text] Xu Chongwen [1776 1504 3306], born in July 1930 in Wuxi, Jiangsu, is a member of the research institute for philosophy under the Chinese Academy of Social Sciences, director of the Research Institute for Philosophical History of Marxism, and deputy head of the Chinese Society for Modern Overseas Philosophy. His main works are: *Marxism in the West*, *Commentary on the Frankfurt School*, *Structuralism and Post-Structuralism*, and *Global Problems and "Human Predicaments"*. He is also the editor of the "Studies of Overseas Marxism and Socialism" series.

QIUSHI: Over the years, China's study of Marxism has been basically carried out in an isolated environment. In the past decade, that is since the 3d plenary session of the 11th CPC Central Committee, in the wake of the implementation and in-depth development of the policy of opening up to the outside, China's study of Marxism began developing in all directions. An important aspect of this is the importance of the study of Western Marxism. Would you please tell me about the situation in this respect?

Xu: It is the main trend of the present times that there must be a new and large-scale development in Marxism but the problem is how to carry out a large-scale development. In the past we held that the so-called development was simply a summary of our practical experience, which is one-sided thinking. The "Resolution by the CPC Central Committee on the Guiding Principle of Constructing Socialist Spiritual Civilization" expressly pointed out that the task for China's Marxist theoretical work during the new period was to: "Study new conditions, new experiences, and new problems concerning the socialist modernization and all-round reforms; probe and formulate rules for the construction of socialism with Chinese characteristics; and at the same time, study new changes in the contemporary world, study various ideological trends of the times, and critically absorb and summarize the latest achievements made in various kinds of scientific development." This statement pointed out two ways for us to develop Marxism. The first is to sum up our practical experience and the other is to study the contemporary world and the ideological trends of the times. These two are equally important.

A point worth paying close attention to in our study of the contemporary ideological trends in the west is the trend of "Western Marxism," which differs from other forms of ideological trends in that it shares the same target with our studies of Marxism, and that it also claims the development of Marxism as its subjective

wish, though its interpretation of development is not exactly the same as ours. Therefore, the study of the ideological trend of "Western Marxism" is closely related to our development of Marxism.

At present, there are two new situations concerning the study of "Western Marxism." The first is that many intellectuals and students in Taiwan, China, are strongly influenced by "Western Marxism." Our special work in this respect was heavily pirated and speculated by several publishing houses in Taiwan. The other situation is that the Soviet Union and some socialist countries in Eastern Europe now pay more attention to the study of "Western Marxism." Articles published in the Soviet Union's COMMUNIST, as well as editorials in the magazine ISSUES CONCERNING PEACE AND SOCIALISM, repeatedly mentioned their viewpoints on "Western Marxism." China started introducing "Western Marxism" 10 years ago. Though it made little progress, some of the viewpoints exerted profound influence on China's philosophy, political economics, scientific socialism, communist movement history, and so on. In the wake of in-depth development of reforms in China, there will be new developments in the study of "Western Marxism." In other words the past practice of mainly introducing the basic situation about "Western Marxism" will be replaced by the practice of conducting in-depth analyses on various viewpoints on "Western Marxism" by integrating them with China's current situation of reform to enrich China's study of Marxism.

QIUSHI: For historical reasons, China was late starting to study "Western Marxism" so that many readers are not familiar with the ideological trend in "Western Marxism." Would you please tell us something about the creation and development of "Western Marxism."

Xu: "Western Marxism" is a product of unsuccessful revolutions in the West. After the victory of the proletariat in Russia other proletarian revolutions in Western countries such as Germany, Hungary, Austria, and so on ended in failure between 1918 and 1923. Under these circumstances a new ideological trend developed in the parties of some Western countries which were members of the Comintern. Practically and theoretically it criticized the internal and external policies of the Comintern and the Soviet Communist Party. Politically, it put forward points of view which were different from those of Lenin on the analysis of capitalism and prospects of socialism, on revolutionary strategy and tactics, and so on. Philosophically it put forward points of view which were different from the dialectical materialism and historical materialism of Engels and Lenin. It upheld the interpretation and development of Marxism in accordance with some idealist schools of modern Western philosophy, like the spirit of Hegelism in the beginning, then Freudism, existentialism, neo-positivism, structuralism, and the spirit of analytical philosophy to "rediscover" the original design of Marxism.

The leading exponent of this ideological trend was Lukaqi [4151 0959 0366], a Hungarian communist. In 1923 he published a book called *History and Class Ideology* in which this ideological trend was first systematically expressed. In that same year, Ke'ershi [2688 1422 2457] of Germany also expressed the major viewpoints of "Western Marxism" when writing his work *Marxism and Philosophy*. They were the pioneers of this ideological trend.

As this trend conflicted with the guiding ideology of Comintern, it was soon bitterly criticized by Comintern as "theoretical revisionism." This ideological trend, which was later called "Western Marxism," could therefore be spread only in non-party circles and among the few party members sharing the same viewpoint. The most influential ones were the Frankfurt School in Germany and the "existentialist Marxism" of Sartre in France. In 1968, the "May Storm" broke in France. "Western Marxism" was taken by the "neo-leftists" in developed capitalist countries as an ideological weapon and was put onto the historical front stage and spread in all directions. In the wake of the "May Storm" failure however, it subsided once again. At present, it is part of modern Western civilization and continues to develop by closely integrating itself with the new situations, new problems, and new social movements caused by developed capitalist society.

QIUSHI: There are numerous representative characters and schools of "Western Marxism," and they all say that their aim is to develop Marxism. Therefore, there has been endless debates on the nature of "Western Marxism." Some hold that it "practices against Marxism under the signboard of Marxism." Others, that it is the Marxism of developed capitalist countries or the modernization of Marxism. What do you think about this?

Xu: When handling this issue I believe that we should uphold the analysis of the source and content by proceeding from the ideological trend of "Western Marxism." Some Soviet scholars take it as a new kind of "neo-revisionism" and "practicing against Marxism under the signboard of neo-Marxism." I do not think this is a correct viewpoint nor does it seek truth from facts. Furthermore, some neo-leftists hold that "Western Marxism" is the modernization of Marxism, and is Marxism for contemporary developed capitalist countries. This point of view is also incorrect. When analyzing in a truth-seeking manner, I hold that we should take it as an ideology which differs from Marxism, and as an ideology of leftist activists in Western society. This is because the representative characters of "Western Marxism" subjectively wish to develop Marxism, which is beyond doubt. Proceeding from its content however, we must not take it as an equivalent of Marxism. This is because these people develop Marxism by using right from the start some philosophical schools of Western idealism to rediscover the revolutionary essence of Marxism, and by integrating the essence of these schools with Marxism. Therefore we must clearly distinguish

this ideological boundary. I think that we can solve problems if we can solve the problems found in our study of "Western Marxism" under these preconditions, and their significance in the development of Marxism.

QIUSHI: Proceeding from the philosophical concept of "Western Marxism," they all use idealism as their tool. People like Lukaqi and Ke'ershi were communist party members at the time. Why did they arm themselves with idealism rather than materialism, and integrate idealism with materialism? This is a question which we find very difficult to comprehend. Could you please tell us why?

Xu: It would indeed be very difficult for one to comprehend this issue if we studied it through abstract means and isolated it from its particular historical environment and the specific conditions at that time. Some people therefore have doubts about the existence of the ideological trend of "Western Marxism." Like Lukaqi and some other communists they: Are linked to Sartre, the Frankfurt School, and some other thinkers who were indirectly related to Marxism; get involved in the ideological trend of "Western Marxism," which uses the Western idealist philosophy to criticize and replace dialectic historical materialism; and they are even reported as the originator of this trend and thus feel it incomprehensible. I believe that when dealing with this issue we must proceed from the process of "Western Marxism" development. In the process of historical development, historical materialism was often understood or misinterpreted as the theory of determination by economics, after the practical materialism of Marxism was understood and interpreted as practical materialism with a world outlook which discriminated against others. Materialism was often linked to passive acts, the attitude of letting things run their natural course, the attitude against acts to mobilize other's subjective activity and obedience, and acts of submitting oneself to objective rules. Some of those revolutionary leftists in Western Europe, particularly in Germany and Italy, regarded materialism as the positivism of Marxist thought and a misinterpretation of social democraticism, and therefore took idealism as their solution. Hence, it was by no means incidental that Lukaqi, Ke'ershi, and the like propagated idealism. They held that only by relying on idealism could the revolutionary core of Marxism be uncovered, could the revolutionary spirit of Marxism be restored, and could they redevelop Marxism.

Another reason is that after the early days of the 20th century, the bourgeois idealist philosophical system of the West, like Keluqi and neo-Hegelist in Italy, changed its ideological system in order to adapt itself to change, and absorbed some Marxist contents so that its system would not be so much in conflict with Marxism in appearance. At the same time it appeared as obviously superior to the vulgar "Marxists" of the scholastic school in terms of mobilizing people's activity. Therefore, the direction taken by "Western Marxism" was determined by history and cultural background at that time.

QIUSHI: Our previous study of Marxism did indeed ignore the study of the human factor but there are numerous "Western Marxist" works which strongly advocate the subjectivity of man and oppose the theory of determination by economics. At present, a major trend in China's philosophical development is toward subjectivity development, with emphasis on philosophical study of the human factor. Do you think these two are related?

Xu: As a matter of fact, the subjectivity issue was a product of industrialization. The result of industrialization was the tremendous development of productive forces, while the subjective status and the activity of man were highly stressed. Now, however, those viewpoints which simply emphasize subjectivity are declining in the West. This is because Western capitalism has entered the so-called stage of "post-industrialized society" in which emphasis is placed on global issues and ecological problems. Certainly man plays an important role. He may change the face of the world, create wealth, and bring happiness but if he goes in the wrong direction, his role may also bring calamity to all mankind and pose a threat to the current existence and future development of mankind. Hence, in Western philosophical studies the materialist thought emphasizing that man is subject to external constraints is gaining momentum. Over the years the subjectivity issue has spread widely through the study work in China's philosophical, literature and art, and aesthetic circles. This is mainly related to our previous work ignoring the human factor and the current practice of breaking through the Marxist dogmatic interpretation. Proceeding from the global perspective, this kind of emphasis on subjectivity is, in a certain sense, a kind of delayed reaction. I hold that judging from the pressing problems and new trend in ideological development faced by the contemporary world, we must stress the subjectivity of man and, on the other hand, stress the natural constraints encountered by man in his practical work. Philosophically, we must stress man's active role in creating wealth and changing the world, while stressing the superiority of natural constraints. In other words we must stress the practical materialist world outlook of Marxism, or we will switch from one extreme to another, which is unfavorable to a smooth development of our reforms and construction.

QIUSHI: What is the significance of studying "Western Marxism" in our development of Marxism?

Xu: I hold that it is significant in three aspects.

First, it is significant in terms of analyzing the situation of developed capitalist society of the times, probing revolutionary ways in the West, and understanding capitalism anew. Capitalist society has greatly changed since the time of Marx. In particular, there have been great changes in the influence exerted by the scientific and technological revolution, the capitalist social structure, and class relations after World War II. These are different from those studied by Marx in the 19th century.

Hence, an important task of developing Marxism is to understand capitalist society anew. Because we ignored study of this issue in the past it is a gap in our Marxist study. Meanwhile, because of its background and development in the developed capitalist countries, "Western Marxism" has promptly studied new problems and new situations concerning the development of the current capitalist society, has accumulated a wealth of material, and has formed a series of viewpoints.

At the same time, "Western Marxism" is also different from some bourgeois schools of philosophy and social sciences in terms of studying contemporary developed capitalism. In their study the bourgeois take a positive attitude toward contemporary capitalism and proceed from the position of safeguarding capitalism. They interpret modern capitalism as capitalism marked by a welfare society and free from struggle, and a people's capitalism. But "Western Marxism" takes a different viewpoint. It takes a negative attitude in studying capitalist society. It analyses new changes brought about by high production and high consumption in the capitalist social structure, class relations, and people's way of living and their ideology. It analyzes areas where contradictions emerge in capitalist society and puts forward ways they believe to be correct for carrying out revolution in the West. These are the areas that they should expend much effort on. Of course, their viewpoint may be incorrect but the material they have provided is significant for us in order to understand the capitalist society anew.

Second, criticism against the Soviet pattern by "Western Marxism" is significant for us to understand socialism anew. "Western Marxism" was mainly a ideological trend developed among Comintern members which launched sharp criticism against the internal and external policies of the Soviet party and the Soviet pattern. This kind of criticism was later condemned by the Comintern as "theoretical revisionism," and was subject to unfair treatment. Proceeding from the current work of reform by various socialist countries, the criticism made by them against the Soviet pattern at that time pointed out the key problems in many aspects. For example, they criticized the Soviet Union for excessive centralization and this has proven to be correct. However, it is regretted that in the struggle against excessive centralization they went to the other extreme and stressed excessive decentralization, or even anarchism. The failure of the "May Storm" was the proof.

Another criticism against the Soviet pattern was that the design of revolution prepared by the Soviet Union was so narrow-minded that a revolution became complete whenever one had seized the political regime and changed the system of economic ownership. "Western Marxism" held that it cannot simply stay at the macroscopic level. Rather, it must go down to the microscopic level in all aspects. There is a slogan for their followers, which is to establish "an identity between socialist revolution and individual liberation." Its followers hold

that though the Soviet socialist revolution was a victory, there was no corresponding and all-round liberation for individuals. This actually puts forward the issue of how to give play to the feasibility provided by the socialist system following the socialist revolutionary victory, to mobilize the initiative of man in all aspects. Thus, we can see that "Western Marxism" has put forward a series of viewpoints on socialist revolution. Though some of the viewpoints are incorrect they help us understand socialism in a more correct and comprehensive way.

Third, in terms of philosophical world outlook "Western Marxism" criticized the Soviet philosophical pattern of dialectic materialism and historical materialism, and put forward the slogan of rediscovering Marxism. This is significant for us in breaking away from the practice of understanding Marxism in a dogmatic manner, and in breaking away from the erroneous viewpoints which have attached themselves to the name of Marxism. "Western Marxism" holds that the philosophical tradition of Marx himself was misinterpreted under the Soviet philosophical pattern, and that Marxism should attach great importance to the activity and practice of man. That "Western Marxism" puts forward these issues bases itself on correct elements. This is because the system presented in the teaching books under the Soviet pattern is not completely consistent with the philosophical world outlook of Marx himself. Marx held in his work "On Fei'erbaha [6316 1422 1572 0761] Program" that to simply understand reality, matters, perception, and old materialism from the objective viewpoint was not enough. In addition one must take a subjective viewpoint and interpret it as the perceptual activity and practice of man, whereas the latter has long been ignored in the history of the international communist movement. In particular, it went to extremes during Stalin's time. What is materialism? Stalin added an annotation in Lenin's *Philosophical Notes*, which is a statement of annotations by Lenin on Helakelite [6378 2139 0344 0448 3676], as the theoretical foundation stone of the philosophical world outlook of Marxism. Helakelite held that the world was created neither by god nor by man, but is based on an eternal live which burns or is extinguished according to its own rules. Lenin annotated: "This is a splendid expression on the principle of dialectic materialism." <sup>1</sup> It should be said that like the statement by Marx in his "On Fei'erbaha Program," the thinking expressed in this statement by Helakelite, which also proceeded from a subjective viewpoint and interpreted matters as the practice of man is not consistent with the basic essence. However, Stalin did not take the Marxist thought into consideration. Rather, he took this statement by Helakelite and Lenin's annotation as the foundation stone of his theory, and expanded it as a philosophical world outlook of Marxism—the philosophical system of dialectical and historical materialism. The world outlook of this system is a practical materialism which discriminates against the practice of man, and in which man can do nothing. If we do not break away from the dogmatic interpretation of Marxism, and the erroneous viewpoints which have attached themselves to

the name of Marxism, then we shall be unable to philosophically adapt ourselves to the development of economic and political reforms or, in philosophical world outlook terms, expound on the policies and measures concerning the mobilization of people's initiative and creativeness. Proceeding from this sense the criticism against the Soviet pattern by "Western Marxism" stressed neither practical work nor that man played a positive role. Of course it is also wrong that "Western Marxism" depends on idealist philosophy and negates the materialist base of Marxist philosophy in order to stress the subjective activity of man. It can be said that it is an "opposite misinterpretation" of the Soviet pattern on the philosophical world outlook of Marx.

QIUSHI: What do you think are the ways to absorb, through the study of "Western Marxism," the latest ideological achievements of the contemporary West and to develop Marxism?

Xu: I hold that we should take this question into consideration throughout the process of integrating the basic theory of Marxism with the current and newly emerging situations and problems, and developing the Marxist theory in accordance with the latest practice. During this process we should break away from dogmatic interpretation of Marxism, and the erroneous viewpoints which have attached themselves to the name of Marxism, while critically absorbing and summing up the latest achievements made by various scientific departments, including the achievements of understanding capitalism and socialism anew, as well as scientific results made by new social movements and ideological trends in society, such as achievements made by studies on global and ecological problems. In addition we must study new experiences and new problems concerning our construction and reforms... We must implement the work down to the level of promoting the philosophical world outlook of Marx—practical materialism—in accordance with the practice of our times. On this basis we must draw lessons from, refer to, and critically sum up and absorb any kind of Western ideological trend which is favorable for us in promoting such a process, and is favorable for us in developing Marxist achievements.

#### Footnote

1. Lenin *Philosophical Notes* p 395

#### Effective Measures That Must Be Taken To Check Inflation

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No 9, 1 Nov 88 pp 30-32

[Article by Yang Peixin of the Economic, Technological, and Social Development Research Center of the State Council]

[Text] The bulletin of the 3d plenary session of the Thirteenth CPC Central Committee pointed out: We must reduce social demand and suppress inflation. At

the same time we must deepen enterprise reform, especially reform in large- and medium-sized state enterprises; separate their administrative and corporate functions in order to truly allow them to operate freely; and earnestly perfect the contract system. This is a decision which is wise and resolute, and which strikes deep in the hearts of the people. Formidable efforts must still be made to earnestly implement them, and to achieve success. When Professor Friedman came to China to lecture he mentioned an American proverb: One must not cut off a dog's tail bit by bit but with one blow. I believe that in order to avoid the decline in production which occurred in 1985 after the tightening of the money supply, avoid going through the motions without achieving any substantial results, and avoid the difficult situations which arose in Yugoslavia, Hungary and Poland after efforts to check secular inflation were unsuccessful, we must consider the adoption of some effective measures to solve some of the following problems.

1. How can we effectively reduce social demand? The key to cutting back social demand lies in state investment for capital construction, and administrative expenses—the purchasing power of social institutions. The expansion of consumption funds has been experienced by some East European countries, whereas China has imposed a bonus tax since 1985. After linking contracting, total wages, and realized profits in enterprises in 1987, the expansion of consumption funds has been basically checked. Some of the increase in wage and cash outlays are due mainly to the increase in the number of new employees and higher wage standards in Sino-foreign equity joint ventures, Sino-foreign contractual joint ventures, wholly foreign-owned enterprises, and town- and township-run enterprises. The phenomenon of inflated personal consumption funds no longer exists. The crux of expansion in total social demand lies in governmental investment for capital construction and the sharp increase in purchasing power of social institutions. The inflated growth in investment for capital construction is due to the demand for construction of office buildings, auditoriums and guesthouses, and duplicate construction by some sectors in the light, textile and machinery industries. The purchasing power of social institutions derives from administrative expenses, and administrative outlays in enterprises. A considerable portion comprises outlays by leading cadres for dinners, purchases and sedan cars. Since the 3d plenary session, some provinces and municipalities have decided not to construct new office buildings, auditoriums and guesthouses during this year and the next. Well then, does it mean that construction will resume after a 2-year deferment? There is a lot behind all this. The application of administrative force can achieve results for a while. But like the 10 fingers pressing on a water ladle, it will surface again the moment one lets go. Furthermore, all this can only be achieved if party, government and enterprise leadership conscientiously practice self-restraint. If they resort to "countermeasures" and feign compliance, then all our efforts will

come to nothing. Maybe we should consider the initiation of political restructuring from this point and carry out democratic, scientific and open decisionmaking. The current and effective method adopted in other countries is to have the budget at each level, especially projects concerning infrastructure construction, submitted for examination and approval by the assembly at the corresponding level. The assembly should be made up of taxpayers, because they are bound to earnestly examine the results from the use of funds, and the investment returns of possible projects. After auditing, they will be able to supervise government organs to ensure that they do not expand the authorized establishment at random or indulge in extravagance and waste. Presently some of the deputies to People's Congresses at the various levels in China are former officials and their posts are honorary. These deputies, for fear of hurting the feelings of others, very often have not been able to fully exercise their supervisory role toward government at the same level. We should consider replenishing People's Congresses at various levels by increasing representation from entrepreneurs, journalists, writers, teachers, students, workers, peasants, and office employees to strictly examine and verify the government budget and investment in capital construction. In order to achieve socialist democracy, we must begin from these crucial areas in order to achieve substantial results. This and only this is the effective measure for eradicating the bloating investment and sharp increase in the purchasing power of social institutions.

2. How can we effectively absorb idle capital and withdraw currency in circulation? The State Council's decision to start savings deposits of 3, 5, and 8 years duration with value guaranteed against inflation has alleviated the people's fear that their savings will vanish in a moment. The intention of this move is very good. However, this only solve the problem of a small number of people who have large savings deposits not put to use on a permanent basis. The wages of China's office employees and workers are low. Their intention to be thrifty and save is to accumulate money bit by bit for the purchase of major consumer items [da jian 1129 0115], including color televisions and refrigerators. It has been unfair for some people to censure such acts as "over-advanced consumption" [xiao fei chao qian 3194 6316 6389 0467]. The people purchase and watch television because they care about the political and economic situation at home and abroad and appreciate Chinese and foreign literary and art programs. Television has become part of the daily necessities in people's lives. We can find television antennas on top of herdsmen's yurts across the grassland of Hulun Buir. This is a gratifying sign. We must support and advocate savings by accumulating small sums for the purchase of major consumer items. It indicates that we deeply care for popular feelings. The people feel that the 3-year savings deposit guarantee against inflation is too long. They are worried that the prices of televisions and other durable goods may rise too fast and surpass the retail price index. A reader of JINGJI RIBAO suggested advance sales of televisions and refrigerators. This is

indeed a good suggestion. We suggest the selection of several brand-name televisions and refrigerators for implementing advance sales, with such articles paid for upon delivery without interest, in accordance with the sequence of the advance sales. Banks should provide funds for this purpose to the television and refrigerator industries. With regards to key components such as picture tubes and compressors, the industrial and technological sectors should work together to develop them jointly, and to repeatedly upgrade technology in order to enable these industries to catch up and surpass international standards and to bring about the domestic production of such components. Some Chinese televisions and refrigerators have been exported and been well received on the international market. China's labor cost is cheap, and it is wholly possible to manufacture cheap, high-quality products for the international market, and, at the same time, meet the demand of the people at a faster pace.

3. How to establish a central bank which can ingeniously, flexibly and effectively regulate the macroeconomy? In view of the inflation that might possibly appear after the initiation of key construction in 1983, we established a central bank to provide for a rainy day. We also recommended that the American way of having an experienced economist like Volcker to act as chairman of the board of governors or president, and to take charge of its administration be followed. Banks, particularly central banks, are very subtle organizations, and require highly knowledgeable persons to run them. Practice over the last few years has proven that without a strong central bank, it will not be possible to react with initiative while dealing with macroeconomic problems. During the tightening policy of 1985 "arbitrary measures be implemented regardlessly" was stressed, and it resulted in decreased industrial production in February 1986. What was more serious was that it caused the misconception that a tightened money supply will result in an economic downturn, thus resulting in hesitation to make decisions on checking inflation. Therefore, in order to allow the People's Bank to truly exercise its role as a central bank and have the authority and capability to effectively regulate the national economy, some practical steps must be taken. (1) The central bank should be placed under the jurisdiction of the National People's Congress. It should report to the NPC, accept its supervision, and be answerable directly to the NPC and the people. The central bank should be given real power, and should stop providing overdrafts and loans to the Ministry of Finance. (2) The central bank should select some entrepreneurs, scholars and experts to sit on the board of governors, and provide information to as well as seek advice from economic circles. The prime minister of Singapore, Lee Kuan Yew, argued that tackling finance is like treating illness in traditional Chinese medicine. Some of these doctors of traditional Chinese medicine should be elderly. Ministers should be young while those administering finance should be older. We should select some old experts who have taken part in tackling inflation on three occasions since the founding of the People's Republic to

take part in decision-making. At the same time, the specialized banks should implement contracting and be allowed to make their own decisions in extending credit.

4. What can we do to implement the money policy correctly? With regard to the money supply, it is a scientific issue. We cannot make an arbitrary decision on this issue. We took three factors into consideration in 1981: The rate of economic growth; the index of price increases during that particular year; and the amount of extra money in the hands of the masses after implementing fixing production quotas on a household basis and the emergence of self-employed industrial and commercial establishments. This consideration was fairly reasonable at that time. Now the third factor no longer exists, since the system of fixing production quotas on a household basis has been implemented and the development of self-employed industrial and commercial establishments has been completed. However, whether the index of price increases in that particular year should be taken into consideration or not remains a big issue. For example, the price increases in 1988 are the result of the excessive money supply before 1987, because usually it takes about one year to show the sign of inflation after an excessive amount of paper money was issued. If we estimate that the price increases in 1988 will be about 18 percent and at the same time we issue 18 percent more paper money, this is equivalent to saying that commodity prices will continue to increase in 1989, leading to continuous inflation. Therefore, we should take the index of price increases in that particular year into consideration. However, we suggest that we refrain from taking the index of price increases into consideration for this year and the next year, because the excessive amount of paper money issued for several years since 1983 has not been offset by the price increases yet. We plan to set the annual percentage of price increases at 3 percent after the inflation has stopped.

5. What can we do to correctly implement the money policy? Hohhot increased the rate for electricity. After the 3d plenary session of the Thirteenth National CPC Congress, the city issued a refund on the extra charge for electric power. This played an excellent role in setting people's minds at ease. Recently the system of state purchase of silkworm cocoons has been restored. It is an effective measure to stop the battles in silkworm cocoons and the tendency of continuously offering higher prices for purchasing commodities on the market. Some people believe that price decontrol is a type of reform and that price increases are also a type of reform. This is a misunderstanding. When the supply of goods lags far behind the demand, prices will increase immediately when they are decontrolled, thus creating a chaotic situation. This will not only harm the interests of the consumers but also dampen the enthusiasm of the producers. We must face reality. When we decontrol the prices too early and encounter problems, we must dare to restore the state fixed price system and the state purchase system. The price of a commodity will be lowered if it exceeds the value of this commodity or the seller

reaps a staggering profit in reselling this commodity. Copper, aluminum, nickel, ferrous alloys and polyvinyl chloride are essential raw materials in production. Their prices are now too high. What we should do is not increase the prices of the products made of such raw materials, but readjust the prices of the raw materials. We suggest inviting all manufacturers and dealers to attend a specialized meeting for direct negotiations on a market price which will ensure a reasonable profit for the manufacturers as well as the dealers. Those who continue to jack up prices after the prices are set throughout negotiations will be fined and the money paid for the products will be confiscated. Discussions must be carried out at specialized meetings to work out measures to increase the production of badly needed raw and semi-finished materials. Enterprises which process raw materials should supply the raw material industries with funds and technology in order to speed up the production of raw and semi-finished materials. The various types of specialized meetings against inflation in March 1950 played an excellent role in readjusting the structure of production and stabilizing and rationalizing the prices. This practice can adapt itself to the objective situation better than the practice of making arbitrary decisions behind closed doors by the department in charge of industries and the price control department. In carrying out price reform, we must change the price mechanism. It is impossible for us to decontrol prices in a single day. We should decontrol prices only after we have completed the enterprise reform and helped enterprises acquire the capacity to accumulate funds, make proper investments, transform themselves, raise their ability to compete with others, and guard against monopoly and unauthorized price increases. In essence, all this represents a sign of success in reform. Right now the enterprises are not authorized to make investments themselves. Nor are they allowed to increase the production of products that are in short supply. Mandatory plans are often imposed on the enterprises. Under such a condition, to decontrol prices within a time limit is just like drawing a tiger and ending up with the likeness of a dog. Only when many teams and athletes can freely compete with one another will the Olympic Games become a success. As for the question of matching the prices on the international market, this is also something worthy of our study. If the prices of our consumer goods need to keep up with the prices of those on the international market, can our salaries and wages be duly increased by ten times to keep up with the international level? China's productivity is low in processing products. If the prices of our raw materials and semi-finished products have to be increased in order to keep up with those on the international market, they will affect our export capability in the future.

6. How can the shortage of commodities, raw, and semi-finished materials be radically corrected? Just as the communiqué states, the solution is to "earnestly perfect the contract system." In socialist countries, the shortage of supplies is attributable to such systems as "the big common pot, the iron rice bowl, and arbitrary directions." To do away with "the big common pot, the iron rice bowl, and arbitrary directions," we must implement the contract

system, that is, contract the production work to individual households in rural areas and contract the management of enterprises in cities. This is an indisputable truth that has been proved time and again in the course of reform during the past 10 years. If we are to use the contract system to check inflation, we must seriously carry out and perfect the contract system. At present, however, the contract system is far from being put into practice and perfected. For example, the responsibility system for the output of an entire industry is still being practiced in the petroleum, petrochemical, nonferrous metal, and coal industries. The respective national corporations in these industrial fields still have the entire charge of the personnel, financial, materials, production, supply, sales, domestic marketing, and foreign trade affairs of their subordinate enterprises and still maintain the systems of the big common pot and arbitrary directions. This has resulted in the rigidity of the operations of the enterprises and choked their initiative and vitality. For this reason, it is imperative to replace the trade responsibility system with the enterprise contract system and carry this reform through to the end. Moreover, even the enterprises that have already been put under contracted management are still unable to make decisions themselves with regard to investment and foreign trade. This problem is seriously restricting their development. On the other hand, capitalist enterprises have decision-making power in doing business, investment, conducting foreign trade, and recruiting employees. They are vigorous cells that can produce whatever is needed, thereby averting economic shortage. As can be seen, in order to overcome inflation and eliminate the problem of shortages, a socialist country must give its enterprises decision-making power with regard to operations, investment, and foreign trade. This will result in a climate of vigor and vitality. In the rural areas of our country, village and town enterprises are developing vigorously because they have the advantage of no bosses above them, independent operation, and are completely free from the yoke of the big common pot, the iron rice bowl, and arbitrary direction systems. While perfecting the enterprise contract system, we must free our enterprises from this yoke so that we can develop productive forces vigorously, produce increasing quantities of commodities, and finally eradicate the phenomenon of inflation and material shortage.

**On Reforming the Urban Land Use System**  
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[Article by Wang Xianjin of the State Land Administration Bureau]

[Text] **I. New Development of the Marxist Land Rent Theory**

Among the reforms over the past 10 years, that of the urban land use system is a Johnny-come-lately. The principal reason is that people's minds and conduct are still bound by the traditional idea that, under socialist conditions, land rent has become a thing of the past.

The truth is that only those day-dreaming socialists in history would advocate that any member of society can use public land free of charge. Despite the founder of Marxism maintaining that socialism is not a commodity economy society, he correctly predicted that land rent would continue to exist. Engels clearly pointed out: "Elimination of private ownership of land does not mean the elimination of land rent but the handover of land rent—albeit in an altered form—to society. Therefore, the possession of all tools of labor by the working class can by no means preclude the preservation the renting and leasing of land." <sup>1</sup> Thus, implementing the system of land use with compensation means, first of all, a correct understanding, and the upholding, of the Marxist theory of land rent.

Urban land reform has gone through a process of gradual evolution. Since 1982, the Shenzhen Special Economic Zone has collected fees, or rent, from land users on different scales, according to the different grades of land. Fushun, Guangzhou, and other cities began to follow suit in 1984. However, reform was limited to collecting land rent only, and did not give the user the right to land transfer. Thus, the system has failed to make much of dent in the old urban land use system. In the second half of 1987, the Shenzhen Special Economic Zone took the lead in experimenting with the transfer of land use rights. The practice is: The Government collects from the land user in one installment the entire rent for the years the land is leased by the state to the user; and the lease holder is permitted to transfer the right of land use to a third party, or to use the land as collateral. In 1988, Fuzhou, Haikou, Guangzhou, Xiamen, and Shanghai also began to experiment with this practice. Transfer of land use rights with compensation is a development of the Marxist theory on land rent. Although the founder of Marxism affirmed the inevitability of the continuous existence of land lease and rent, he failed to mention the transfer of land use rights because, according to the founder, the commodity economy is nonexistent under socialism. Therefore, as soon as we began to experiment with the land transfer system, it immediately became the focus of world attention. Commenting on the transfer of land use rights being experimented with in Shenzhen, Hong Kong's press pointed out that the system signaled that reform on the Chinese mainland had entered a new historical stage.

To meet the needs of real life, the First Session of the Seventh NPC in April 1988 deleted the clause that land should not be leased from Paragraph 4, Article 10 of the Constitution, and unequivocally pointed out: "The right to the use of land may be transferred according to law." This has cleared the way for an comprehensive implementation and in-depth development of reform of the land system.

Over the past several years, a great many achievements have been made in theoretical study on reforming the urban land use system. The public has, in general, held

an affirmative view on whether to separate land ownership from land use rights; whether to commercialize land use rights; and whether to open a land market. Generally speaking, the theoretical stumbling block to reform has already been removed. However, the public is still very divided and cannot reach quick consensus on a number of more profound theoretical questions, such as whether urban land is a product of human labor and thus possesses labor value; and whether urban land should be commercialized. But this does not necessarily have adverse effects on actual reform. Those problems can be solved in the long run.

## II. Characteristics and Objectives of Reform of the Urban Land Use System

Compared with reforms in other economic areas, reform of the urban land use system has its unique features.

First, this reform does not change our country's state ownership system of land in urban areas.

At the initial stage of socialism, our country should develop diverse kinds of ownership of means of production, with public ownership as the mainstay. The only exception is land ownership. Since land, unlike any other essential factor of production, is a rare natural resource which cannot be regenerated but can be used continuously, possession of land means monopoly. If land were privately owned, a trend would inevitably appear of using land in disregard of its different functions and its effect on the overall benefit to society, thus resulting in a big waste in land utilization. This drawback can be eliminated by combining the state and the land owner into one. Even many bourgeois scholars stand for the nationalization of land, on the ground that private land ownership restricts the development of productive forces.

The key reason for the irrational use of land which has existed for a long time in our country is not the state ownership of land, but the system of allowing free and indefinite use of state-owned land. To solve this problem, some people suggest that the ban on buying and selling land in cities be lifted, but this suggestion does not hit the crucial point of the problem. In some socialist countries, urban people are allowed to own land for residence, but it is still hard to invigorate land transactions. By contrast, in Hong Kong, all land is owned by the Government, and private land ownership and land buying and selling prevailing in the capitalist world do not exist at all; however, because the Government sells the land use right and allows land users to transfer such right, the land market has developed considerably and become a strong pillar of Hong Kong's sustained and rapid social and economic development. It appears that Hong Kong's experience is worth emulating. In socialist China, where urban land has been nationalized, a system

capable of developing productive forces and, at the same time, upholding public land ownership should be the best pattern for reforming the land system.

Second, reform of the urban land use system is not the weakening of land ownership.

Under the old land use system, state ownership of land in cities exists in name only. Land is practically in the possession of various units and departments. For this reason, reform should not proceed toward the goal of weakening land ownership. On the contrary, we should reinforce the ownership of land, while changing the highly centralized old system. From a major viewpoint, we should clearly define the relationship between the urban land owner and users as the lessor and lessees. Based on its ownership, the land owner receives rent from the lessees, thus materializing the economic value of land ownership. From a minor viewpoint, the land owner has the right to set up clear-cut demands as to how the land rented out is to be used, the time required for construction of houses on the land, and the terms for transfer of the right to using the land. By doing so, the land owner can restrict the lessees.

Undoubtedly, it is also necessary to reinforce the right to use urban land. Specifically, this is to permit the buying and selling of the right. When a lessee has acquired the right to use a piece of land for a relatively long term by paying an appropriate rent, from the legal viewpoint, what he has acquired is not a nontransferrable "creditor's right," but a "right to use of property." Accordingly, he is entitled to occupy the land, receive benefits from it, transfer the right to using it, and raise a mortgage on such right prior to the expiration of the term of the lease.

In view of this, the separation of the two rights to urban land is aimed at reinforcing the right to ownership, as well as the right to use. This differs from the separation of the two rights in enterprises where the right to ownership is to be weakened, while the right to use is to be strengthened.

Third, reform of the urban land use system is not designed to commercialize land, but to commercialize the right to land use on a limited basis.

The transfer of the right to land use with compensation, currently being practiced in China on a trial basis, is based on Hong Kong's experience. It is incorrect when some articles generalize Hong Kong's land lease practice as a total commercialization of land. In Hong Kong, the land is leased, but not for sale. What has been commercialized there is the right to land use, not land ownership. Urban land has multiple social and economic functions, and each lot has its specific usage. Different lots should be treated differently regarding the amount of land rent or whether a rent should be collected at all. For instance, in order to promote commercialization of housing, we

may consider providing free land for low-income residents' housing. Therefore, strictly speaking, the commercialization of the right to land use is limited, and must cover only a moderate amount of area.

Another closely relevant question is whether there can be a special market for the transfer of right to land use. Generally speaking, the functions of market cover all society, and one of the tasks in reforming the land use system is to open up the land market and improve the socialist market system. However, we should see that the urban land market in China is inadequate, and the transfer of the right to land use is monopolized by the state, which is the urban land owner. So, in order to practice the transfer of land use right to meet the needs of various quarters, there must be a market mechanism and a nonmarket mechanism at the same time, and the latter is entirely regulated through planning. We should gradually open the market for the transfer of land use right among land users. In short, the market mechanism covers different amounts of area at different levels in the transfer of land use right.

Fourth, reform of the land use system does not require a high frequency of the transfer of land use right.

The transfer of land use right must be rational and economical, otherwise it should not be permitted. In order to prevent speculation in land, the Hong Kong Government requires the tenants to fulfill all terms of the lease (including completion of housing construction within the prescribed time) before they can transfer the land use right. Even under this condition, repeated transfer of land use right still takes place frequently. Some land lots are transferred three or four times a year and the prices will go up two or threefold, greatly profiting real estate dealers and adversely affecting the economy and the people's livelihood. When we reform the land use system, we should pay attention to preventing such a situation. The transfer of land use right must be conducive to the economy, society, and the environment at the same time.

Fifth, reform of the land use system is not a transfer of the government function in unified management and distribution of state-owned land to the land users and dealers.

Some people think that when a government land management department takes charge of the transfer of land use right, it is engaged in land business, and the practice is a confusion of government functions and enterprise operation. These people simply do not understand the characteristics of land lease, and are confused by the ideas of land lease and land business. Generally speaking, lease is a form of business, such as houses and machinery for rent. The rental income is the proceeds of investment, and the lease is entirely an economic activity of capital assets appreciation and therefore an out-and-out business operation. However, land lease is different. Land rent is not the profit earned by the land owner in

developing and using the land. It is a demand made to the tenant by the land owner as a monopolizer of a natural element of production. In other words, he is exercising the right of ownership economically. Therefore, land lease is not land use by the owner. On the contrary, the owner lets others use the land. When China was carrying out a land reform in the early years after liberation, it classified landlords into two categories—"lessor-landlords" and "managerial landlords." Lessor-landlords were those who leased land to others and collected rent, while managerial landlords were those who hired people to till the land for them. For the same reason, when a government land management department handles the transfer of land use right, it is not involved in land business; and there is no such problem as confusion of government functions and enterprise operation at all. Conversely, if a real estate enterprise is put in charge of the transfer of land use right, it is tantamount to giving the enterprise government power. Then, it is truly a confusion of government functions and enterprise operation. Therefore, the representative of the urban land ownership in our country must be the government land management department, not a real estate enterprise.

In view of the above five salient features of reform of the land use system, the orientation, road, and objectives of reform may be as follows: We should uphold the sole state ownership of urban land. We should step up the separation of ownership and the right to use. The Government Land Management Department, as the representative of state-owned land, should establish a lessor-lessee relationship with the users, commercialize the right to land use, adopt multiple forms of land use and of the transfer of land use right on the basis of state monopoly of land ownership, optimize land distribution, bring into full play the benefits of urban land to economy, society and environment, and turn the land into a strong prop for developing the commodity economy.

### III. Steps of Reform and Points for Attention

A lump sum land rental has clear advantages. For instance, it will enable a city government to collect immediately a considerable amount of money for use in land development, and will help alleviate the shortage of funds for urban infrastructure construction. It also facilitates aspiring tenants to bid for the land use right. If a tenant needs money, he can resell the land use right or mortgage it for cash.

However, the conditions for universally practicing the transfer of the right to land use with compensation among the users of state-owned land are not currently ripe. It is mainly because the lump sum land rental will inevitably cause a sharp increase in capital construction investment, an increase more than our current economic strength can endure. During the Sixth 5-Year Plan, farmland taken over by the state for building capital construction projects (including projects built with investment by large urban collectives) averaged some

1.28 million mu a year. In recent years, such requisitioned farmland exceeded 1.3 million mu a year. A rough calculation shows that, if the transfer of land use right with compensation is universally practiced, the land transferred with a lump sum land rental will be around 400,000 mu a year, not including the land taken over by the state for building public welfare projects. Compensation for the transfer of land use right in several cities since last year ranged from around 150 yuan per square meter to 8,000 yuan per square meter. Even if we calculate at the lowest price, the compensation for 400,000 mu of land will exceed 400 million yuan, which equals the total state investment in capital construction in 1987. The amount will be even bigger if we count the existing land rentals in various urban industrial and mining districts. While the state has only a limited financial ability in building capital construction projects, a general increase in both absolute and relative land transfer prices in the course of building capital construction projects will drastically increase the building costs beyond the endurance of society.

Moreover, the transfer of land use right needs a great deal of preparatory work. For instance, the urban planning, building, transport, firefighting, environmental protection, and landscaping departments should set relevant demands before the tenants start the land development and construction projects. It is also necessary to know the situation and trend of the land market. Only after completing the preparatory work, can we set rational land transfer prices. It usually takes Hong Kong about 2 years to select land lots, complete preparatory work and have the land ready for lease. It requires sufficient specialized personnel to do the preparatory work well, and our country currently lacks such personnel. For this reason, the transfer of the right to urban land use with compensation is suitable in the near future for only a small number of cities with relatively better conditions. For instance, we should systematically practice the land transfer system in coastal open cities and in inland cities selected to conduct experiments on overall reform of the economic structure.

In cities experimenting with the transfer of the right to the use of land, there are different ceilings for the period of the transferred right. In some cities, it is 80 years; in others, it is 70 or 50 years. It appears that a uniform ceiling should be set for the whole country, to avoid the problem of vying to raise the ceiling to attract investment.

In general, there are three methods for the transfer of the right to the use of land in cities experimenting with the transfer of such right: negotiations, public bidding, and auction. For auction, which involves the greatest extent of competition, the guiding principle is that whoever makes the highest offer gets the right to the use of the land. This method often has the effect of raising the price paid for the land use right. Because of this, some cities do not use auction, but most development corporations are in favor of this method. An alternative is to set an

expected target, and when the offer reaches that target, the transaction may be concluded without waiting for higher offers. If two or more competitors meet the expected target, they may jointly enjoy the land use right and cooperate to develop the land. Anyone who is unwilling to engage in such cooperation is considered as giving up his share of the right of his own accord.

In all cities, towns, and industrial and mining areas throughout the country, the reform of the system of collecting the annual land use fee (tax) should be carried out as soon as possible. In cities already experimenting with the system of transfer of land use right, two methods may be applied at the same time. For new land allocated by the state, that is, the "additional land," a lump-sum payment for the whole lease period may be collected at the time the land is rented out. For land previously allocated to these cities by the state, that is, the "stored land," a land use fee (tax) may be collected annually. This is the current case in Shenzhen. In those cities where conditions have not been ripe for introducing the system of transfer of land use right with a compensation, a land use fee (tax) should be collected annually for both the "stored land" and the "additional land."

While the two compensation methods for the use of land may be applied simultaneously, the general trend is that the lump-sum payment method will be used in more and more cases of transfer of the land use right. It will gradually replace the method of the annual land use fee. In the future, not only will the lump-sum payment method apply to the "additional land," an arrangement may also be made for the user of the "stored land" to render a lump-sum make-up payment for the remaining period of the lease. Once the user of the "stored land" has rendered the make-up payment, he may transfer to others the right to the use of the land and receive a compensation for the transfer. However, this is a long process to be carried out step by step. It cannot be completed within this century. Even in the future, the lump-sum payment method will not be the only method of compensation for transfer of the land use right. The short-term lease of land may exist at any stage in the development of a socialist society. For this kind of lease, the only convenient method is to collect a land use fee annually, or even monthly. Regarding the land for government office buildings, military purposes, and non-profitmaking social welfare projects, which account for a considerable part of the land being utilized, the method of free-of-charge allocation should still be applied.

Currently, there is a question about which opinions are so that it should be clarified immediately. The question is whether the user of the "stored land" can transfer the right to the use of the land and receive a compensation for the transfer. The land in question may be an extra piece of land previously occupied by the land user or a certain piece of land no longer needed by the land user because of a change in circumstances. In either case, the land was originally allocated by the state free of charge.

Some people hold that the right to the use of such land can be transferred after receiving an appropriate compensation because the transfer is conducive to the reasonable and economical use of the land and to the development of productive forces, thus meeting the requirements of reform. Those holding the opposite view deem it unreasonable for the land user to receive the land rent that should go to the state. In their opinion, the state should take back such land and redistribute it. After repeatedly weighing the advantages and drawbacks involved, Hainan Province and Haikou City has decided to allow the transfer of the right to the use of such land under the condition that the original land user should give the Government one-half of the compensation he received from the transfer. This stipulation is rather realistic. On the one hand, it arouses the land user's enthusiasm to transfer the land use right, thus stimulating the reasonable transfer of such right from hand to hand. On the other hand, it enables the state to get something from such transfers. It is very difficult to rely merely on administrative measures to have the land user return the extra land to the state for redistribution.

#### IV. Difficulties of Reform and Their Solutions

Today, people have universally accepted the idea of compensated use of land. The difficulty of the reform lies mainly in solving the problem of gaining or losing tangible interests and in people's capability to take on the additional financial burden.

Although urban land is allocated for use without compensation, the state can still collect land rent, especially large amounts of differential rent. Since enterprises are not required to pay land rent, the land rent automatically becomes part of their profits. Therefore, when levying income and regulatory taxes on enterprises' earned profits and retained profits (only the portion exceeding the amount of approved retained profits), the state has actually collected part of the land rent. However, this part of the land rent respectively goes to the central government and localities since income and regulatory taxes are turned in to different authorities. If the land-use fee (tax) only goes to various city governments after compensated use of land is implemented, it will inevitably reduce the central government's financial revenue. Conversely, if the land-use fee (tax) collected by various city governments is less than the land rent formerly included in the income and regulatory taxes, they will not be enthusiastic about promoting compensated use of land. Therefore, the crux of the long-standing dispute over whether to collect land-use fee or collect land-use tax is basically a matter of gains and losses.

Let's set aside the theoretical dispute over whether to collect land-use fee or collect land-use tax, and address our attention solely to who is entitled to land income. We should consider the interests of both the central and local governments. They should be all entitled to sharing the land income no matter whether the land rent is collected on a yearly basis or collected in lump sums

based on the length of lease. The land income should not only go to the local government as advocated by some comrades. If it goes solely to the local government, the state will become, to a large extent, only a nominal land owner. To share does not mean to share equally. A salient economic problem in China is that various cities are generally in want of infrastructures and are deeply in debt. In view of this condition, localities should be entitled to acquire more land income than the central government, which should use its collected land income to help some financially difficult cities improve their infrastructures. In view that the central government is also facing financial difficulties, we recommend that the central government acquire 30 percent of the land income, with the rest going to localities. If the central government's financial standing improves in the future, localities' proportion of the land income may be appropriately increased with an aim to make urban land rent basically go to the city government.

Whether compensated use of urban land can be implemented or not depends on land users' capability to take on the financial burden. Although some city authorities have planned to implement compensated use of urban land, they fear that enterprises cannot assume the burden. Since 1985, Shanghai has made several sample surveys of enterprises to calculate their capability. The results of these surveys were not optimistic. For example, a recent survey of 714 industrial enterprises shows that half of them fail to take on the financial burden. Their expenditures will exceed incomes by five percent if a land-use fee at about half of that currently collected from foreign-owned enterprises is applied. If Shanghai cannot take on the financial burden, other cities, especially cities with many money-losing enterprises, will be even more unable to take it on. Moreover, most of urban land is used for residential purposes. If this land is used with compensation, the financial burden will be passed on to the residents in the long run. Presently, China is plagued by a high inflation rate, and its people are also unable to take on a heavy financial burden. The central and local governments are also facing the same problem of whether they can take on the financial burden or not. The increased supply of "additional land" by various city governments shows that they are facing a more and more heavy economic burden when carrying out new capital construction projects, which call for more money from either the central government or localities. Therefore, it is very difficult to correctly set land-use fees (taxes), including a lump-sum land-use fee. However, we should make strenuous efforts to help the majority of land users take on the financial burden. Land-use rent collected on a yearly basis should be made a bit lower rather than higher. If it is too high, it will shock the people and thus increase resistance to the reform. If it is really too low, we can adjust it in good time. As for the lump-sum land rent, we can control it by setting an expected price.

Since the reform of the land-use system deals with many aspects, various departments are required to provide supporting reform measures. According to our experience

gained from Shenzhen as a pilot city, the following departments are required to provide supporting reform measures: planning departments, capital construction units, legislative organs, financial and tax departments, industrial and commercial administrations, housing administrations, as well as banking and monetary institutions. In addition, the State Council should form a leading group for the reform of the land-use system. Headed by the State Commission for Restructuring Economic System, the group should be composed of land management and other relevant departments, and should be responsible for examining and discussing major issues concerning the reform of the land-use system, making decisions, and coordinating with all parties concerned.

#### Footnotes

1. *Selected Works of Marx and Engels* vol I p 545

**On the Question of the Ownership Structure in the Initial Stage of Socialism**  
*OW2511025988 Beijing QIUSHI in Chinese*  
*No 9, 1 Nov 88 pp 39-42*

[Article by Jiang Huanhu 3068 3562 3275 of the Party School of Zhengzhou Railway Bureau]

[Text] At present, one of the important tasks concerning our theoretical work is to study the theory of Chinese socialism at the initial stage. Being a socio-economic phenomenon, socialism at the initial stage is a versatile union of various areas such as economics, politics, culture and so on. However, the basis of this union is socio-economic relations. Marx said, "The socio-production relations change in the wake of changes in the material means of production and productive forces, as well as changes in development. Collectively, the production relations produce the so-called social relations, the so-called society, and society at a particular stage of historical development, which is marked by unique characteristics."<sup>1</sup> Therefore, we must understand China's socialism at its initial stage of development, and understand its unique characteristics. We must first focus on the study of its socio-economic relations. To study the socio-economic relations is to basically have a good grasp about the nature and characteristics of socialism at the initial stage.

We all know that the socio-economy of socialism at the initial stage is the one marked by public ownership. Coexisting with the subject are a combination of economic elements such as the individual economy, private economy, Chinese-foreign joint equity economy, Chinese-foreign cooperative economy, and wholly foreign owned economy. The public-owned economy is divided into ownership by the state and by collectives. But the one among these complicated economic elements that can determine the nature of the development stage and

make it show its natural characteristics is the interrelations between socialist public ownership and capitalist private ownership, as well as their respective positions in the socio-economy. Proceeding from this viewpoint, we can see that the natural characteristics of socio-economic relations under socialism at the initial stage is the constraint of capitalist private ownership by socialist public ownership, and while the latter occupies the dominant position, the former plays a supporting role. When we stress the present stage of the development of the socialist economy, which is the subject, we should allow a considerable development of the capitalist economy, which plays a supporting role.

Is it true that it is inevitable for China to develop such an ownership structure at the initial stage of socialism? We may examine this question through various ways and means. But historical self-analysis is a form of understanding lacking the capability of substitution. Self-analysis takes ideology itself as its content, and is therefore theoretical thinking about the in-depth nature of the subject. We can grasp from the historical depth the nature, characteristics, and rhythm of socialism at the initial stage when we study its initial stage in our historical self-analysis.

It is well known that contemporary China, because of the invasion of foreign capital, gradually became a semi-colonial and semi-feudal society whose productive force was far behind western countries. It was a basic and historical task for China to change this situation, to develop the social productive force, and to turn China from a poverty-stricken and backward agricultural country into an independent, rich and strong industrial country. When facing this historical task, the people of China could not but realize the disasters suffered by the people in the West, though these countries achieved tremendous historical achievements amid their capitalist development. Such historical condition thus caused China to develop, to a certain extent, capitalism without following the footstep of the western countries or taking the development direction toward a capitalist economy. This is a historical topic that every person with lofty ideals, who strives for building an independent, rich and strong China, must face.

The solution of this historical issue was first reflected in the thoughts of Sun Yat-sen, Chinese revolutionary democrat, on national salvation and construction. Before the birth of the CPC, Sun Yat-sen was the person who epitomized the experience of westerners who sought truth from facts. However, it was he who opposed China following the footstep of the West and in copying social thinking and a social system from it. He said: "A principle which is appropriate abroad need not be appropriate for China." In his masterpieces such as "Plans for National Construction," "National Construction Programs," "The Three People's Principles," and "The Declaration at the First National People's Congress," he advocated that China "must put construction before

people's livelihood," that is, to develop social production to make the people of China satisfied with their needs for food, clothes, housing and transport, to extricate the Chinese nation from their poverty-stricken predicament, and to turn it into a rich and strong country. But he held that China must check capitalism at the outset. For this reason, the Chinese economic department plan formulated by him was marked by two basic features: "equal land rights" and "checking capital." The former was the practice of giving land to the tiller, abolishing the feudal land system, and paving the way for capitalist development in industry and commerce. The latter was actually control of the national economic lifelines by the country, "so that the private capitalist system cannot control the people's livelihood."<sup>2</sup> Undoubtedly, Sun Yat-sen's hope of the great restoration of the Chinese nation through capitalism reflected the inevitable trend of the contemporary historical development of China. However, his view was based on the conception of history about people's livelihood, which is basically part of historical idealism. His view was therefore not really included in the scientific socialist trend.

In order to scientifically view problems concerning the contemporary historical development of China, we must base ourselves on historical materialism. Pursuant to the rule of social development revealed by historical materialism, members of the CPC analyzed the world trend and the realities of China, highly praised and confirmed Sun Yat-sen's thoughts about equal land rights and the checking of capital, and charted the course to socialism through the stage of new democratism, which conformed to the historical conditions of China. In other words, it conformed to the course of development to socialism via new democratism. In a series of works such as the "New Democratic Theory" and "On Coalition Government," Mao Zedong scientifically and systematically expounded on the theoretical basis of this course.

A formula about the progress of history as follows had been lying before us: "transitional period—socialism—communism." This was first expressly pointed out by Marx in his "Critique of the Gotha Program." It was spread wide and put into practice after Lenin gave an explanation on it, particularly after the introduction of the magazine "Nation and Revolution." It became a formula about the course of socialism widely accepted by Marxists. Now, after the scientific creation by members of the CPC, particularly Mao Zedong, we have another formula about the course of socialism, which integrates the universal truth of Marxism with the specific conditions of China: "new democratism—socialism—communism." Though the development direction of the "new democratic society" of the latter is basically the same as that of the "transitional period" of the former, the new democratic society is entrusted with new historical contents, that is, the historical task to which it has to commit, and is different from the unique meaning of the transitional period. The historical contents and task of the "transitional period" of the Marxist formula were to

economically and political eliminate capitalist relations. But the historical task shouldered by the new democratic society is to put an end to the very backward situation of the social productive force, and to turn China from an agricultural country into an industrial one. As this is an arduous task, we should not only check but also transform and make use of capitalism, and make room for the development of the capitalist economy, while emphasizing the development of the socialist economy. Facts have shown that the new democratism is suitable for China's development of its social productive force, and is favorable for the growth of its socialist economy. Later, we acted in a dogmatic way and regarded the new democratic society as equal to the "transitional period" of the Marxist theory. Consequently, we ignored China's special conditions left over from the past, and paid little attention to realities, so that the new democratism ended before it accomplished its historical tasks. The way that we comment on the mistake of giving dogmatic treatment to Marxist historical formula does not mean that we negate China's historical achievements in establishing the dominant position of its socialist public ownership. We simply conduct a self-analysis on the tendency and practice of eliminating capitalism in a single blow and trying by all means to turn China's socio-economy at the present stage into a unitary socialist public ownership. Through self-analysis, we realize: As China's socialism at the initial stage undertakes the historical task yet to be accomplished and inevitably transferred by the new democratic society, only when we uphold the ownership structure in which public ownership is the subject and private ownership, including the capitalist economy which plays the supporting role, can it conform to China's rule of historical development.

When one reviews our past developments, he can easily realize the following two inter-relating points:

The first one is: It is impractical at the present stage to carry out unitary socialist public ownership. We have learned a profound lesson in this respect. Under the historical conditions that the social productive force is not yet developed to a level at which capitalism completely loses its ground and becomes an unwarranted thing in terms of socio-economic relations, it will simply hinder the development of productive forces if we strive to uproot capitalism or even "cut" the so-called, but actually it is not, the "tail" of capitalist economic relations rather than making use of capitalist forms to develop the economy. Therefore, to permit to a certain extent, the existence and development of capitalist economy is historically inevitable under socialism at the initial stage, rather than a stopgap measure. As a state of society, socialism is superior to capitalism. However, socialism is the positive sublation of capitalism. Only when it fully absorbs and assimilates the foundation of developed civilization achieved by capitalism, can we really build a genuine socialist society which is superior to capitalism. Lenin held: "Private capitalism can become a helping hand of socialism."<sup>3</sup> He said, "We should make use of capitalism as an intermediate

between small-scale production and socialism, as well as the means, way, method and pattern of improving the productive force."<sup>5</sup> Under Chinese socialism at the initial stage, it is positive for socialism at least at two levels in terms of the economic pattern and the means of operation of capitalism: The first one is the direct importance, that is, the economic pattern of making use of capitalism (including the state capitalism) to develop the productive force, such as the development of private enterprises and the "three types of enterprises using foreign investment" which are of capitalist nature. This kind of capitalist economic element is a necessary beneficial support for the socialist economy, and should be considerably developed under socialism at the initial stage. The second one is the indirect importance (that is, the transferred meaning). Socialism must develop for itself by absorbing the capitalist production style, the effective economic operation mechanism, administration style, and management methods not exclusive to capitalism. Lenin put forward the following formula: "Ready to absorb those good things from aboard: The Soviet regime and Prussian railway order and American technology and trust organizations and the U.S.'s national education and so on and... equals Sum equals Socialism."<sup>6</sup> If one is not ready or even refuses to absorb those good things achieved by capitalism, the socialist economy will be in an ossified state, and hence will build neither a developed material civilization nor spiritual civilization, and it will be impossible to display superiority over capitalism.

It is impractical to follow the footsteps of capitalist development in the West. In our self-analysis, we see that from the time when Sun Yat-sen advocated the "checking of capital" to the present moment when we stick to the principle of upholding public ownership as the subject, socialism find its roots deeply planted under the historical conditions and in reality. That China took the way of developing socialism is by no means the subjective will of any person or group. The system of socialism has been established in China for more than three decades. Though repeated mistakes were made in the subjective guidance and we suffered setbacks on several occasions in our practical work, it has been known worldwide that China's economic strength is growing, and its education, science and culture are developing. It is by no means insignificant that the system of socialism has initially shown its superiority in a poor, backward, populous and large country as China. Under the historical precondition of having established the basic socialist system, we have, at the initial stage, proceeded from reality, and upheld public ownership as the subject while allowing private ownership to play a supporting role. This helps maintain the justice and stability of society, while it is favorable to mobilizing the enterprising spirit of individuals. Its aim is to develop the productive force of society and to build socialism with Chinese characteristics, rather than abandoning the development of socialism. Amid the change from the unitary public ownership to the coexistence and development of multiple economic elements, it is inevitable

that there develop some pessimistic phenomena of capitalism at the initial stage. However, we should not take such phenomena as a universal pattern. In the course of reform and opening up, it is necessary and beneficial to absorb foreign economic theories by analyzing and making reference to them. But we should not totally negate our experience and discriminately copy from abroad such western economic views as deficit finance, credit inflation and so on. Acts of deviating from China's basic situation and disregarding the wishes of most people to extricate themselves from the poverty-stricken state are of course impractical, and will bring about adverse effects in China's economic, political and cultural construction and development.

When summing up the above points, one can easily understand that being a socio-economic state (or an economic-social state), socialism at the initial stage should be the coexistence and development of the economy under a multiple ownership in which public ownership is the subject. One of its characteristics is that the structure of socialism takes public ownership as the subject and the capitalist private ownership as the support. Under this structure, the dominant position of public ownership must be earnestly upheld so that it will supervise the people's livelihood in a nation. The supporting role of private ownership should be under guidance so that it can play its role. Under no circumstances should we ignore the supporting role because we uphold the "subject." Neither should we shake the foundation of the "subject" because we emphasize the supporting role. The essence of the structure is to ensure an appropriate development of the capitalist economy on the track of a planned economy based on socialist public ownership. Instead of an arbitrary rule worked out by subjective wishes of people, such ownership structure under socialism at the initial stage is an inevitable choice in the historical development of China.

#### Footnotes

1. Collected Works of Marx and Engels vol 6 p 487
2. The above is respectively quoted from the *Selected Works of Sun Yat-sen* pp 722, 601, 713, 76, 593
3. *Selected Works of Lenin* vol 4 p 529
5. Ibid, p 525
6. *Manuscript of Lenin* vol 3 p 94

#### We Must Correctly Understand Lenin's Theory of Reflection

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No 9, 1 Nov 88 pp 42-45

[Article by Tian Liwu 3944 4539 0710 of the Party School of the CPC Nankai District Committee in Tianjin City]

[Text] Issues No 5, No 6, and No 18 of HONGQI, in 1987, separately carried exploratory articles on Lenin's

theory of reflection by two comrades Zhao Biru [6392 3880 1172] and Wang Zhenwu [3769 2182 2976] (These articles are referred to below as the "Zhao article" and the "Wang article"), and these articles attracted people's attention. The present article is also concerned with the questions of how we should understand Lenin's theory of reflection and whether the theory of choice can replace the theory of reflection. On these questions, the article will put forward a few ideas for discussion.

#### I

How should we understand the theory of reflection which Lenin expounded on in his *Materialism and Empirio-Criticism*? The Zhao article holds that it is a dialectical materialist theory of reflection, while the Wang article considers it to be a general materialist theory of reflection. In order to prove its view, the Wang article engages in an analysis and appraisal of *Materialism and Empirio-Criticism*. For example, it notes: "This book was written under the political conditions at that time and grew out of the needs of debate in order to oppose idealism. As the title suggests, the major stress is laid on the antagonism between materialism and 'empirio-criticism,' rather than that between dialectic materialism and 'empirio-criticism.' Thus, what this book is mainly about is epistemological materialism rather than epistemological dialectics. Therefore, we should not consider the general materialist epistemological viewpoint expounded on by Lenin to be a dialectical materialist epistemological viewpoint." <sup>1</sup> It was also noted that: "I have never, on the basis of the tendency towards general materialism in *Materialism and Empirio-Criticism*, completely denied the dialectical ideas in it.... This is because when expounding on the general principles of materialist epistemology, Lenin, as a dialectical materialist, had to touch on some dialectical ideas...." <sup>2</sup> All subsequent references to the words of Comrade Wang Zhenwu come from this article.

I believe that the above viewpoint is not very convincing because it lacks a base of overall research.

First, it places stress on the name of the book and overlooks the preface. It is in fact in the "Prefaces" to *Materialism and Empirio-Criticism* that the nature of the book is presaged. For example, the preface to the first edition says "A number of writers, would-be Marxists, have this year undertaken a veritable campaign against the philosophy of Marxism. In the course of less than half a year four books devoted mainly and almost exclusively to attacks on dialectical materialism have made their appearance...." <sup>3</sup> The preface to the second edition says: "I hope that irrespective of the dispute with the Russian 'Machists,' this book will prove useful as an aid to an acquaintance with the philosophy of Marxism, dialectical materialism, as well as with the philosophical conclusions from the recent discoveries in natural science." <sup>4</sup> These words enable people to understand that *Materialism and Empirio-Criticism* is a work which

counterposes dialectical materialism and empirio-criticism. It naturally is rich in dialectical materialist contents. Otherwise, why would Lenin have hoped that it would act as an aid to an acquaintance with dialectical materialism. Obviously, the Wang article has not given this deep enough thought, otherwise it would not have made the above-mentioned analysis and appraisal.

Second, it makes too low an appraisal of the dialectical thought in *Materialism and Empirio-Criticism*. It says of this dialectical thought, "when expounding on the general principles of materialist epistemology, Lenin as a dialectical materialist, had to touch on some dialectical ideas." This sees the dialectics in *Materialism and Empirio-Criticism* as of little importance. Actually, the dialectical thought elaborated upon in *Materialism and Empirio-Criticism* occupies an extremely important position. For example, in the third of his three epistemological conclusions, Lenin said: "We must think dialectically, that is, we must not regard our knowledge as ready-made and unalterable, but must determine how knowledge emerges from ignorance, how incomplete, inexact knowledge becomes complete and more exact."<sup>5</sup> When talking about the relationship between relative truth and absolute truth, he said: "Human thought then by its nature is capable of giving, and does give, absolute truth, which is compounded of a sum-total of relative truths. Each step in the development of science adds new grains to the sum of absolute truth, but the limits of the truth of each scientific proposition are relative, now expanding, now shrinking with the growth of knowledge."<sup>6</sup> There are many other examples. These vivid statements manifest an integration of dialectics and epistemology and are a scientific achievement in terms of dialectics leading into epistemology. They play an important role in the criticism of the metaphysics of empirio-criticism and of agnosticism.

Third, it misunderstands the basic methodology of Lenin's criticism. For example, it says: "The basic methodology in Lenin's criticism of Machism was the use of the general principles of materialism to oppose Mach's philosophical idealism." It also notes: "In *Philosophical Notebooks*, he reviewed and summed up 'questions relating to the criticism of modern Kantianism, Machism and so on' and wrote 'Two Warnings....' From these it is very clear that at this time Lenin had begun to realize the limits of the use of the general materialist viewpoint by the Marxists, which included himself, in the criticism of idealism." It is based on these misunderstandings that he makes the negative assessment that "Lenin as a dialectical materialist, had to touch on some dialectical ideas." Actually there are two levels of meaning to the "Two Warnings." One refers to the fact that Plekhanov, in the struggle to oppose Kantian philosophy and Machism, always adopted an attitude of vulgar materialism. He did not use materialist dialectics, did not point out the activity of cognition in the cognitive process and did not point out the linked nature and change of all concepts. The second referred to the fact that at the beginning of the twentieth century, there was no understanding of

dialectics, and that the failure to apply dialectics in the theory of reflection was not a singular phenomenon but rather a serious trend within the Marxist ranks. This resulted in some people moving back towards Feuerbach and the vulgar materialist Buchner and was also one of the causes for some people to fall into the morass of revisionism. It can be seen that the "Two Warnings" does not have the meaning that Lenin recognized any limits in using general materialism to criticize idealism. Rather, Lenin, in *Materialism and Empirio-Criticism* had already pointed out that the Russian Machists were idealists as a result of their metaphysics and relativism. He had recognized that due to the fact that they lacked dialectics, both mechanical materialism and old materialism were unable to withstand the attack of idealism. Thus, Lenin paid great attention to applying materialist dialectics in order to expose the relativism and metaphysics which he opposed. For example Lenin says: "He has not understood materialist dialectics and therefore frequently slips, by way of relativism, into subjectivism and idealism."<sup>7</sup> He also said: "The views of the old materialists are metaphysical in character, that is to say 'their philosophy was anti-dialectical in character.' This limitation is fully shared with Buchner and Co. by our Machists..."<sup>8</sup> Lenin not only used dialectical views to unmask the metaphysics and agnosticism of Machism, but in his criticism of a series of scientific methods used by the Machists, there was concrete application of dialectics. It was because Lenin persisted in and utilized materialist dialectics that he was able to achieve great victories in debates. If we accept, in accordance with the ideas in the Wang article, that at that time Lenin had not recognized the important role of dialectics in criticizing idealism and that it was only that Lenin, as a dialectical materialist, had to touch on some dialectical ideas, it would be unimaginable that he could have scored such victories in the debates. Thus, we believe that seen in terms of its essence, *Materialism and Empirio-Criticism* should be considered a monograph of dialectical materialist epistemology criticizing the subjective idealism of Machism.

## II

Why do the Wang article and other articles see Lenin's theory of reflection as a general materialist theory of reflection or a mechanical materialist theory of reflection? Apart from the misunderstandings noted above, I feel that there are also the following misunderstandings and reasons:

1. They have not closely studied the concept of reflection and the theory of reflection, or the differences and connections between general materialism, dialectical materialism and mechanical materialism.

What is the concept of reflection? The concept of reflection refers to the impression made on people's sensory organs by objective things. However, the meaning of the theory of reflection is different. It refers to a theory of reflection, a theoretical system which is constituted by

many aspects including the base, process, conditions, and method of reflection. As the Zhao article says: The concept of reflection is interchangeable between the mechanical materialist and the dialectical materialist theory systems. However, each school has its own theory of reflection. The mechanical materialists have their own passive perception theory of reflection, while the dialectical materialists have their own dynamic, revolutionary theory of reflection. The theories of reflection of all schools of materialism are combinations of the general factor of the concept of reflection together with their own specific aspects. The point of similarity of the dialectical materialist theory of reflection and the mechanical materialist theory of reflection is that they both contain this common factor which is the concept of reflection. Their point of difference lies in that they each have their own theoretical specificities. Thus, the concept of reflection which Lenin used and quotes in *Materialism and Empirio-Criticism* must be specifically analyzed. We cannot simply take it to be Lenin's theory of reflection. Piaget and the positivists, seeing that Lenin and the mechanical materialists both used the concept of reflection, grouped the two together, and believed that Lenin's theory of reflection was the passive perceptual theory of reflection. This is a distortion of Lenin's theory of reflection, given rise to by misunderstanding. The reason the Wang article also sees Lenin's theory of reflection as mechanical determinism is also due to the mistake of only seeing the general and not seeing the specific.

2. They have seen that Lenin used general materialist language, but do not study the angle from which he used it. In the first three chapters of *Materialism and Empirio-Criticism*, Lenin indeed uses the language of the general materialist theory of reflection. However, the heading of the first three chapters is "The Theory of Knowledge of Dialectical Materialism and of Empirio-Criticism." This shows that Lenin was using the language of the general materialist theory of reflection from the angle of dialectical materialism. In particular, it should be noted that as *Materialism and Empirio-Criticism* is a polemical work, it is different from ordinary textbooks, and it is unable to systematically introduce its own theoretical system. It is only intended to be aimed at the characteristics of the opponent in the debate and thus only those parts of the theoretical system which can strike home at the opponent are utilized. In the first three chapters of *Materialism and Empirio-Criticism*, the reason Lenin used the language of the general materialist theory of reflection was that he wanted to demonstrate a comparison between the theoretical base of dialectical materialism and the theoretical base of empirio-criticism, and thereby reveal the nature of the completely reactionary epistemology of the idealist and agnostic empirio-criticism, which used new fallacies and terminology as well as cunning schemes to disguise itself. From this we can understand that Lenin's dialectical materialist theory of reflection included the general materialist theory of reflection, but cannot be simply summed up as the general materialist theory of reflection. If we see places where Lenin uses the language of the general materialist

theory of reflection and we thus say that Lenin's theory of reflection was the general theory of reflection, while this can partially be said to conform with the facts, seen overall it is not correct.

3. They have not paid attention to the fact that, while in *Materialism and Empirio-Criticism* Lenin does not in a centralized way expound on the theoretical system of the dialectical materialist theory of reflection, if we collect together the dialectical materialist epistemological viewpoints throughout the book, we are able to see an outline of Lenin's theoretical system of reflection. For example, in the three conclusions spoken of by Lenin, the first conclusion related to the question of the object of cognition, the second conclusion was on the question of reflection and the third conclusion noted that reflection is a process. He also noted that practice is the basis of cognition and is the criterion of truth and spoke about absolute truth, relative truth, freedom, and inevitability. These conclusions included the basis of cognition and also included the dynamic role of the object and the subject and drew practical and dialectical views into the overall theoretical system of the theory of reflection. While there is the shortcoming that he did not speak of the process by which perceptual cognition becomes rational cognition, this work is still sufficient to show people an outline of Lenin's dynamic theory of reflection. The Wang article does not see this outline and this naturally affects the correctness of its assessments. Likewise the Zhao article does not speak of this outline and only makes inferences centering on the phrase "the function of the human brain and the reflection of the objective external world." Thus, naturally his article is hardly convincing either.

### III

The aim of the Wang article, in stressing the limitations of the concept of reflection, is to provide a basis for the replacement of the theory of reflection by the theory of choice [xuan ze lun 6693 2344 6158]. However, can the theory of choice replace the theory of reflection? This involves many complex questions such as whether or not the theory of reflection needs to be replaced and whether the theory of choice has the capacity to replace it. While what has been written above partially answers the question of whether or not the theory of reflection needs to be replaced, if we want to fully resolve this question, we need to do further exploration. Why should the theory of choice replace the theory of reflection? One of the bases of the Wang article is that the theory of reflection described by Lenin in *Materialism and Empirio-Criticism* is the general materialist theory of reflection and this only reveals the object-nature of cognition while overlooking its subject-nature and dynamic nature. Thus the article holds that the theory of reflection needs to be replaced by choice. However, when the Wang article speaks of *Philosophical Notebooks*, it also says: "Lenin not only recognized the reflective nature of cognition but also specially stressed the creative nature and teleological nature of cognition in practice and the complicated

and dialectical nature of cognition which develops in the course of history. On the basis of carrying on the cause of Hegel and Marx, he put forward an ideology which combined logic, dialectics and epistemology, and thereby developed the dynamic principle of dialectical materialist epistemology...." That is to say, on the question of epistemology, Lenin in his *Philosophical Notebooks* had already overcome the limitations of *Materialism and Empirio-Criticism* and deepened and perfected the general materialist theory of reflection into the dynamic theory of reflection. People may then ask why, if the limitations of the general theory of reflection have already been overcome, and the dynamic nature has already become obvious, why is it necessary to use choice to replace it? Is this not logically untenable?

The second basis of the Wang article is that it believes: The theory of choice is an extension of the theory of practice, which accords with logic, and that dynamic reflection is choice. It cannot be denied that dynamic reflection includes choice and choice is an important link in the cognitive process. For example, choice is used in determining the target of cognition, in mastering the aspects and levels of the target of cognition and in the process of raising perceptual cognition to rational cognition. However, although choice has these important functions, when we view it from participation in practice, dynamic reflection cannot be summed up as choice and choice cannot replace dynamic reflection. This is because the dynamic nature of cognition includes many aspects and links and choice is but one of these links. It is a link which complements and is tightly linked with the other links. If we use choice to replace dynamism as the summary or expression of many links, it will result in people stressing this one link of choice and overlooking the other links. However choice cannot be separated from the other links and cannot master the nature and patterns of the objects of cognition. Thus if we replace dynamism with choice, it will unavoidably lead to the error of using one aspect to draw conclusions about the whole. Further, choice cannot be separated from or replace reflection. This is because reflection is a precondition for choice. Regardless of whether we speak of a subject choosing from different object targets or choosing from different aspects of the same object, in both cases there first needs to be in practice a mutual effect between the object target and a person's sensory organs before there can be choice by a person. Also in making a choice, there needs to be the knowledge to differentiate, and the accumulation of knowledge cannot be divorced from reflection. Thus it is said that choice can in no way be separated from reflection. Choice which is divorced from reflection can only be subjective, blind, ineffective choice.

The third basis of the Wang article is that it takes artificial intelligence as scientific proof. It cannot be denied that artificial intelligence can, to a certain degree show the importance of choice. However, this importance cannot demonstrate the necessity of replacing the dialectical materialist theory of reflection. The incident

in Japan where a computer killed a person can well demonstrate this point: In the Kansai Kawasaki Heavy Industry Company, a worker named Urata Kanji accidentally bumped a switch and thereupon was grabbed by the robot and processed like a gear, resulting in his death. On another occasion, an English electronic computer was programmed with a very large number of choices based on a chess book by a chess master, and yet was defeated in a game of chess by a 12 year-old Chinese girl. The two incidents fully demonstrate that if the specific link of choice in cognition is divorced from the other links, it will be powerless. Having choice replace reflection or using choice to sum up the dynamic theory of reflection are not feasible options. The essential characteristic of dialectical materialist epistemology can only be the dynamic, revolutionary theory of reflection.

#### Footnotes

1. Wang Zhenwu, "New Exploration in Epistemological Definition" in HONGQI No 6, 1987
2. Wang Zhenwu, "The Nature of The Theory of Reflection and the Inspiration of the Theory of Development" in HONGQI No 18, 1987
3. *Selected Works of Lenin* vol 2, p 12
4. Ibid p 15
5. Ibid p 100
6. Ibid p 134
7. Ibid, p 316
8. Ibid p 246

**A Brief Discussion on Honest Administration**  
OW2511025988 Beijing QIUSHI in Chinese  
No 9, 1 Nov 88 pp 46

[Article by Lin Xun 2651 1852]

[Text] The proposal for an honest administration is appealing to the ear and also has the support of the people. However, honest administration first requires honest officials. The calls for honest administration have been put forward in response to the various phenomena of corruption in organs of state power. These phenomena have often been created by the bureaucracy of leading cadres, their corruption and acceptance of bribes, and their conniving for their sons and daughters or family members being made official business operators or powerful speculators who engage in embezzlement to line their own pockets. Thus honest administration must begin with the leading cadres at various levels. Only when the leaders are honest can honesty be demanded from those under them. The leading cadres at all levels who propose honesty must show themselves to be models of honesty. Only when they are selfless and fearless

will they have sufficient authority and daring to punish the corruption of those under them. Here I would like to provide a little data on the honesty advocated by Hai Rui and on his opposition to corruption, as reference material for everyone.

Hai Rui, a person of the Ming dynasty, is a figure most people know. He was a famous upright official who remained honest and frugal all his life, while taking corrupt officials as his enemies. Initially, when he was appointed as an instructor in Nanping, he issued an instruction prohibiting his students from sending him presents. When he was appointed as magistrate in Chunan County, he prohibited the officials from giving presents. While he was a county official, on his mother's birthday he only "purchased two jin of meat." The word got around and the officials "found this very strange." Why did they "find this very strange"? Normally, the county magistrates, on their mother's birthday, used the occasion to solicit congratulatory gifts. However, Hai Rui only "bought two jin of meat." From instructor in Nanping, he was progressively promoted to secretary in the Ministry of Revenue and then eventually promoted to vice minister in the auxiliary Ministry of Personnel in Nanjing. Even though serving for decades as an official, he did not buy even one mu of land. In the 15th year of the Wanli reign, Hai Rui died in office. When his remaining possessions were examined, all that was found were a few liang of silver from his salary. When Wang Yongji, a censor in Nanjing, saw the simple residence in which Hai Rui lived, a place "even a poor scholar could not bear," he was moved to tears. It was because Hai Rui lived simply and was not selfish that he dared to strike at the rich and powerful and severely punish corrupt officials. He dared to cross governors, censors-in-chief and even the emperor.

The histories record that when Hu Zongxian was governor of Zhejiang and was obviously very powerful, his son, while passing through Chunan, beat and hanged the postal relay station officials who he claimed had not treated him properly. Hai Rui then ordered the confiscation of all the property he had obtained through presents and had it placed in the treasury. He also arrested Hu and sent him in custody to the office of the supreme commander. He also sent a letter to Hu Zongxian. The letter read: "In the past, Mr Hu, you sent instructions that no area which an official passed through was to make a pompous show of hospitality. Now, someone has passed through with many gifts collected on his travels. This certainly could not be your son." Hu Zongxian could neither laugh nor cry and just had to admit that he was out of luck. On another occasion, the censor-in-chief, Yan Maoqing, was on an inspection tour and collecting presents as he went along. He was so greedy that the people were left with nothing on which to live. Hai Rui did not want to let him come through Chunan and thus he wrote him a letter, saying: Your warrant requires you to "be frugal and not seek to be pleased." However, everywhere you go, you are extremely extravagant and certainly not frugal. Chunan

is a small place and has insufficient means to support many carts and horses. On receiving the letter, Yan Maoqing was "extremely angered," veered around and turned away.

Hai Rui also held an extreme loathing for bribery. In the Ming dynasty, when county magistrates went to the capital, they could levy thousands of liang of silver from their communities and tithings to be able to bribe officials in the capital and obtain their goal of being recommended for promotion. Hai Rui never tried to bribe the officials in the capital and on the two occasions when he did go, he spent only 48 liang of silver on travelling expenses. Whenever corrupt officials saw Hai Rui they were somewhat frightened and dared not accept bribes. In his latter years, Hai Rui went to take up a post as vice minister in the Ministry of Personnel in Nanjing. On hearing that he was soon to take up this appointment, some of the corrupt officials saw what was coming, resigned their posts and left. Some other powerful people were so afraid that they shut themselves up in their houses and dared not come out. One senior official, who had abused his authority in the past, painted over his red gate and swiftly had it painted black in order to divert people's attention. The superintendent of the Batai bridge also swiftly reduced the number of bridge attendants by half.

The several examples given above from Hai Rui's life might today, when there are strong calls for honest administration, induce some deep reflection by leading comrades at various levels. Why does the phenomena of corruption occur in a country led by the Communist Party and which has a socialist society? How are such phenomena to be corrected? There are of course some quite complex social causes and historical factors which have to be dealt with. However, it is also important that Communist Party members do not forget their status and constantly remember that a Communist Party member should be strict in thought and morals, be firm in disciplining themselves and should make efforts to achieve a change for the better bit by bit. In this respect, an idea which guided Hai Rui's thoughts and actions can provide us with reference: we should pay great attention to checking erroneous actions at the outset. As soon as he was appointed as an instructor, Hai Rui firmly prohibited his students from sending presents. Actually, students giving their teacher presents is not a very important matter. However, if such improprieties are not checked quickly, they will spread and become major problems. Throughout history and today, many corrupt officials have proceeded from minor impropriety to major corruption. In this way, one is either swept along in the same tide as the corrupt elements or one becomes a corrupt element oneself. It was only because Hai Rui was honest and upright as an official that he could stamp down upon many corrupt officials. Thereby uprightness was used to quell evil. If our leading cadres at all levels can also pay attention to "checking erroneous actions at the outset," it will naturally occur that an upright atmosphere will appear and those under the leaders will follow

right and leave evil behind. However, today there are a few Communist Party leading cadres who use their power for personal benefit and engage in embezzlement to enrich themselves. Some, seeing their fellows and friends engaging in corruption and accepting bribes, appointing their children or relatives to official and business posts, engaging in profiteering, harming the state and harming the people will, if they do not act in collusion with them, at least shield them. Thus major infringements are reduced in seriousness and smaller matters are covered up completely. Thereby, the phenomenon of corruption expands without end. If these cadres were to read something on Hai Rui, and were to stir themselves and initiate a little honesty, they might just come to realize a little of the truth.

**Deep Thoughts on the Frontier (Poems in the Form of Prose and Reportage)**

OW2511025988 Beijing QIUSHI in Chinese  
No 9, 1 Nov 88 pp 47

[Poems by Ke Lan 2688 5663]

[Text] In recent years I have roamed the frontiers of our motherland. Often I got close to the boundary lines and defense lines along the coast. In those places I seemed to rise to a historical peak as well as sink into a strange, deep valley of reality. Often I could not help having deep thoughts about them. I put down my telescope and let the carrier pigeon fly, and shot off colorful signals. With respect I sent friendly regards and strings of deep thoughts to foreign countries and places.

**I. Jieshiwan**

Note: In 1927 comrade Zhou Enlai led the Nanchang revolt army south and tried to proceed to the east. They were in a dangerous situation. Under the white terror, comrade Zhou had to flee to the sea at night from Jieshiwan by himself. I paced to and fro at the site from where comrade Zhou had fled, unwilling to leave.

The moon and stars are gone, rows of waves are examining the calendar of times of the past, while the sea breeze is counting the long journeys....

A small wooden boat sets its sail. What is the weight of history it carries? In the heavy night fog, do we know if the sparks that rise here are burning?

Ah, a generation of sages has gone to the sea, and become pursuits for several generations. All the joys and sorrows of days gone by listen to the tears and complaints of the waves.

I gaze at the rocks above the water. Is it the hardships through the years that make them so tired but yet strong?

A burst of rain drops fall and touch the string of a musical instrument. This is the will sent by the sages from afar.

**II. Demarcation Stele on a National Boundary**

I have seen many boundary stelae of all sizes.

They are so sacred and yet ordinary. You must not cross it by even one step. This stele symbolizes the dignity of hundred thousands of people of a nation.

Although what comes is the whisper of the swaying leaves, what I hear is sounds of the battlefield. The blood and flesh and skeletons of our forefathers have weathered into an invisible, zig-zag boundary line and condensed into endless mountains and singing streams.

I can hear cocks crow and mothers' calling on and off from the village nearby. They are so quiet, so ancient, and distant. This is a continuation from one generation to another and foretells the eternity of life. This is history, the future, and the sacred present. As long as each tree and each stone guard the frontier, they become supreme symbols and stand for eternal sacredness.

So generations and myriad sands cluster together to form this never-falling boundary stele. It stands upright in each and every hot heart in the name of the motherland.

**III. Port**

A newly opened port with its stunned, strange, and anxious eyes. This is a window of the heart that is opened after history has suffered from poverty and backwardness, the pains of reform, and one round after another of obstacles.

Eagerness for new technology, new markets, and new commodity information. Eagerness for the salty winds from the Pacific Ocean that wake up an ancient people from its dreams in sound sleep, and illusions in the dreams.

Do not complain about the port for being too small. It leads to the ocean and the world. Do not say this port is still too quiet. It is a new hope and the beginning of noise.

Where there is a port there is a road. Where there are roads they will meet, and when they meet intelligence, ideal, and pursuit will emerge. Best wishes to you, an open port on the coast. Let all good wishes start from here. Set the sail!

**IV. Wenjindu**

There is an asphalt road that joins the Shenzhen special economic zone and Hong Kong. The two places are not separated by ancient castles or walls. However, there is an invisible gate called Wenjindu. The gate opens and closes at fixed hours. The same earth and the same sky here become two earths and skies, one nation, two systems.

Different but harmonious, dissimilar but coordinated, conflicting concepts that can communicate. Sentiments of resistance that can mix....

And so, vehicles on the road go to opposite directions, freight loads never cease to come and go. Noise, disputes, competition, and characteristics of each side fill and modify the life on both sides.

I look at the flow of vehicles and freight that goes on day and night. They all use their own beautiful silk thread to weave a colorful dream.

**Enjoying Natural Charms of Grasslands**  
*OW2511025988 Beijing QIUSHI in Chinese*  
*No 9, 1 Nov 88 pp 48*

[Article by Zhao Guoqing 6392 0948 7230 of RENMIN WENXUE]

[Text] **Green, Boundless....**

Soft green, light green, that extends away from beneath my feet afar, afar, until there is no end, and no boundary....

It is like satin, soft and green. The sands are green, so are the sandy plains. They roll up and down. As they try to get further up, they curve down; and as they try to curve further down, they roll up.

The green is also like the sea, a green and peaceful sea. The waves go up, one higher than the other.

Oh, grasslands that look like satin and the blue sea, how I wish to lie down and feel the rolls, and get my body all dusty, and sleep, sleep off all my tiredness. Look at all the cows and horses. Having eaten and drunk enough, they take an afternoon nap on the grasslands, so quietly and peacefully that you can only hear them snore. Our ancestors came from nature, our green native place. These boundless seas of white sands have become green again after years of irrigation with toil and sweat. We are fortunate enough to be back to our green native place again. I hope that this green stays forever and that people will not commit any foolish deeds against the will of our ancestors again, nor those "achievements" that are only destructive to our green native place....

#### **Mushrooms, Countless Umbrellas**

It drizzles on and off. The sun hides behind the clouds and shines through them every now and then. The rain is green, like a green flow that floats from the clouds of green fir trees down to the green beds of pine needles on the ground. The tree branches and leaves are dripping with green juice, such clear and light juice! The sun is green too, just like a green arc that radiates from the cracks between the clouds and the space between the tree branches that look like a sift.

Deep in the woods, beside the green grass, and in the green rain and light, ah, suddenly an umbrella opens. I look down at them: one umbrella, two, three...many,

countless. They are yellow, white, grey, black, and all colors, and they are all coated with a light green hue. They have thick tops and sturdy supports, and look like myriad fairies with umbrellas, that fly down in the green rain and light, perhaps to the woods for a green party? That's right, it is breezy and the rhythm of a green waltz is being played in a merry mood.

The woods are silent but busy. Groups of dressed-up ladies and gentlemen are laughing as they fly toward the woods with baskets and cloth. They all exclaim: What beautiful umbrellas, countless umbrellas. How are you? Let us join your green party in the woods....

#### **Tiny Plum Blossoms...**

The grass on the meadow is intensely green, the flowers on the meadow are bright and colorful. The corn poppies, with bright yellow bowls made of petals, sway high in the air. The wild peonies, white as snow, stretch in the open country like a bed of frost. The violet asters humbly decorate the meadow with round, hairy balls of violet. The wild orchids light up this flower fair on the meadow with strings of tiny scarlet lanterns. The yellow wild chrysanthemums that are everywhere on the meadow add an elegance and noise to it all... Oh, colorful meadow, you are a large busy garden!

Only those wild plum blossoms are plain and humble. The flowers are small and the petals are in many tiny pieces. Five tiny white petals surround a tiny pale pink heart. It is almost white, but not purely white, and almost pink, but not purely pink. Each blossom is not even the size of a bean. The stems and twigs are dry and thin. There are no leaves. The plant looks bare. In sum, it does not catch any attention on this flowery meadow.

What we do not know is that although the wild plum blossoms are tiny, they blossom in clusters. Those on even one branch are so numerous that you cannot count them. They stay together, like a cloud that has descended from the sky and settled on the meadow forever. Although their color is not bright, it is more elegant and sweet than any other flower. The mix of white and pink is so harmonious that it gives a sense of degree of hue and richness. The branches, though dry and thin, are extremely firm and strong. They are taller and more numerous than any flower on the meadow. They have no fear for strong winds. Also, they are always there. They live such a long life that no other flowers can match. If you put them in a vase, you need not water them at all and they still blossom. The blossoms always stay alive on the branches. They are forever like a floating elegant white cloud that pleases both our eyes and heart.

Tiny wild plum blossoms, you take only a little sun and rain, yet you ever so loyally contribute so much plain and elegant beauty to the land. Even though your stem and branches are dry and thin, you still face the world and life with a smile....

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